DOCUMENT RESUME

ED 407 450 UD 031 686

TITLE	Racial and Ethnic Tensions in American Communities: Poverty, Inequality, and Discrimination--A National Perspective. Executive Summary and Transcript of Hearing before the United States Commission on Civil Rights (Washington, D.C., May 21-22, 1992).
INSTITUTION	Commission on Civil Rights, Washington, D.C.
PUB DATE	May 92
NOTE	210p.; For Volume I of the related reports, see ED 359 294. For Volume III, see UD 031 687.
CONTRACT	RR93002016
PUB TYPE	Reports - Evaluative (142)
EDRS PRICE	MF01/PC09 Plus Postage.
DESCRIPTORS	Civil Rights; *Conflict; *Cultural Differences; Demography; Economic Factors; Elementary Secondary Education; Equal Education; Equal Opportunities (Jobs); *Ethnic Relations; Leadership; Mass Media Effects; *Racial Discrimination; Racial Relations; Social Problems
IDENTIFIERS	*Tension

ABSTRACT

In February 1991 the U.S. Commission on Civil Rights began a long- term study of the factors contributing to increased racial and ethnic tensions in the United States. This document is a summary of key points made at a National Perspectives Hearing that was part of this study. Following 2 days of testimony and the discussions of eight panels, five key themes emerged from the hearing as primary causes of persistent, and in some cases, increased racial and ethnic tensions: (1) crisis in leadership; (2) media portrayal of existing tensions; (3) deficiencies in the educational system; (4) disparities on the criminal justice system; and (5) growing economic inequality. In addition to these themes, many witnesses testified that the nature of racial and ethnic tension has been transformed as a result of the rapid demographic reconstitution of American society. The hearing summary begins with a synopsis of empirical data offered by various witnesses in support of the perception that racial and ethnic tensions are on the rise. The summary then provides overviews of the circumstances of the national denial of tensions and the primary causes of persistent racial and ethnic tension. The panels were titled: (1) Racial and Ethnic Tensions--Part 1; (2) Racial and Ethnic Tensions--Part 2; (3) Hate Incidents; (4) Changing Demographics; (5) Multiculturalism; (6) Socioeconomic Factors, Part 1; (7) Socioeconomic Factors, Part 2; and (8) Civil Rights. (SLD)

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ED 407 450

Hearing
Before the
United States
Commission on Civil Rights

Racial and Ethnic Tensions in American Communities: Poverty, Inequality, and Discrimination— A National Perspective

Executive Summary and Transcript of Hearing Held in Washington, D.C.

May 21–22, 1992

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U.S. Commission on Civil Rights

The U.S. Commission on Civil Rights is an independent, bipartisan agency first established by Congress in 1957 and reestablished in 1983. It is directed to:

- Investigate complaints alleging that citizens are being deprived of their right to vote by reason of their race, color, religion, sex, age, disability, or national origin, or by reason of fraudulent practices;
- Study and collect information relating to discrimination or a denial of equal protection of the laws under the Constitution because of race, color, religion, sex, age, disability, or national origin, or in the administration of justice;
- Appraise Federal laws and policies with respect to discrimination or denial of equal protection of the laws because of race, color, religion, sex, age, disability, or national origin, or in the administration of justice;
- Serve as a national clearinghouse for information in respect to discrimination or denial of equal protection of the laws because of race, color, religion, sex, age, disability, or national origin;
- Submit reports, findings, and recommendations to the President and Congress;
- Issue public service announcements to discourage discrimination or denial of equal protection of the laws.

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* Was not a member of the Commission at the time of the hearing.
† Was Chairperson of the Commission at the time of the hearing.
‡ Was not Staff Director of the Commission at the time of the hearing.

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Executive Summary

Introduction—The Genesis of the Racial Tensions Project

In February 1991 the U.S. Commission on Civil Rights (the "Commission") voted to embark upon a long-term investigation into the factors contributing to increased racial and ethnic tensions throughout the United States. Discouraged by the apparent escalation of racial tensions, particularly in the Nation's urban areas, Commissioner Blandina Cardenas Ramirez urged that the Commission exert its leadership in bringing the issue to the attention of the President, the Congress, and the American people in November 1990.[1] Numerous reports from many of the Commission's State Advisory Committees throughout the United States confirmed that racial and ethnic tensions were rising in virtually every one of this nation's critical institutions.[2]

On February 2, 1991, Commissioner Carl Anderson introduced a formal motion, predicated on the Commission's unanimous agreement, that addressing racial tensions in America's cities be the overarching thematic approach for the Commission's work over the following 3 to 5 years.[3] Subsequently, on September 13, 1991, on a motion by Commissioner Russell Redenbaugh, the Commission refined its direction and agreed to conduct a series of hearings in selected cities around the country focusing on education, housing, crime, police-community relations, employment and entrepreneurship opportunities, the impact of governmental and fiscal budget policies, and the role of the media.[4]

The Commission convened a task force comprised of Commissioner Redenbaugh as its chair, current Commission Chairperson, Mary Frances Berry, Commissioner Carl Anderson, and former Commissioner Esther Gonzalez-Arroyo Buckley. The task force was supported by members of the Commission's executive staff throughout its 2-month tenure.

The task force recommended that the Commission move forward with the proposed series of hearings,[5] the purpose of which would be to examine, explore, and make factual findings concerning the perceived resurgence of racial tensions in America's communities.[6]

Thereafter, the Commissioners agreed on the following urban sites to examine the issue of increased racial and ethnic tensions: Chicago, Los Angeles, New York City, and Miami. In addition, the Commission later made plans to evaluate manifestations of the problem in a rural setting at a hearing site in the lower Mississippi Delta.

Despite careful planning and definition of the scope of the project, the Commission acknowledged that much work was needed still to ensure the substantive integrity of its investigation. To assist in this process, the Commissioners decided to conduct a "National Perspectives" hearing, in which the Commission would invite testimony from a variety of the Nation's foremost researchers, authors, experts, and commentators on issues affecting the state of racial and ethnic

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1 Remarks of Hon. Blandina Cardenas Ramirez, former Commissioner, U.S. Commission on Civil Rights, Commission Meeting, Washington, D.C., Nov. 9, 1990, transcript, p. 74.

2 Remarks of Hon. Arthur A. Fletcher, former Chairperson, U.S. Commission on Civil Rights, Hearing before the U.S. Commission on Civil Rights, Washington, D.C., May 21, 1992, p. 21 (hereafter cited as *National Perspectives Hearing*).

3 Remarks of Hon. Carl Anderson, Commissioner, U.S. Commission on Civil Rights, *USCCR Annual Planning Retreat*, Washington, D.C., Feb. 2, 1991, p. 33.

4 Ibid.

5 Hon. Russell G. Redenbaugh, Commissioner, U.S. Commission on Civil Rights, Commission Meeting, Washington, D.C., Nov. 15, 1991, p. 33 (hereafter cited as *Nov. 15, 1991, Commission Meeting*).

6 Ibid.

relations. Thus, following extensive deliberation and research by the Commissioners and Commission staff, the Commission convened a hearing at the Office of Personnel Management auditorium in Washington, D.C., May 21–22, 1992.[7]

The following is a summary of key points made by witnesses at the National Perspectives Hearing,[8] including recommendations for further areas of inquiry by the Commission during the course of the racial and ethnic tensions project. Witnesses are identified in the summary based upon their professional affiliations at the time of the hearing. Emerging from their testimony is a picture of a nation that continues to struggle with the longstanding challenge of cultivating an unqualified mutual tolerance and acceptance of and among its diverse racial and ethnic groups.

As an additional note, while securing information is the major purpose of any U.S. Commission on Civil Rights hearing, the Commission is hopeful that the hearings in this series will have the collateral effect of stimulating open discourse and increased understanding of civil rights problems, thus encouraging the correction of extant injustices. This summary is not intended to be a substitute for the important testimony contained in the attached hearing transcript.

Hon. Mary Frances Berry
Chairperson

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7 Refers to hearing conducted by the Commission in Washington, D.C., May 21–22, 1992. The hearing was titled, *Racial and Ethnic Tensions in American Communities: Poverty, Inequality, and Discrimination—A National Perspective*.

8 Professional identification of the witnesses is based upon their affiliations at the time of the hearing. Testimony was received through eight panels as follows: **Panel One. Overview Panel: Racial and Ethnic Tensions—Part I:** Ellis Cose, editorial page editor, *New York Daily News*, author of *A Nation of Strangers: Prejudice, Politics, and the Populating of America* (New York: William Morrow & Co., 1992); Joe Feagin, professor of sociology, University of Florida at Gainesville, author of *The Bubbling Cauldron: Racial and Ethnic Issues in U.S. Cities* (in preparation with M.P. Smith); Andrew Hacker, professor of political science, Queens College, City University of New York, author of *Two Nations: Black and White, Separate, Hostile, Unequal* (New York: Maxwell Macmillan International 1992); Arthur Kropp, president, People for the American Way, author of *Democracy's Next Generation II: A Study of American Youth on Race* (People for the American Way, 1992); Manning Marable, professor of political science, history and sociology, Center for the Study of Ethnicity and Race in America, University of Colorado at Boulder, author of *The Crisis of Color and Democracy* (Monroe, ME: Common Courage Press, 1992); and Clarence Page, Pulitzer Prize-winning columnist, *Chicago Tribune*. **Panel Two. Overview Panel II: Racial and Ethnic Tensions—Part II:** Arthur Flemming, chairman, Citizens Commission for Civil Rights and National Education Commission; Edward A. Hailes, Jr., counsel to the National Association for the Advancement of Colored People (NAACP); Charles Kamasaki, vice president, Office of Research, Advocacy, and Legislation, National Council of LaRaza; John Kromkowski, president, National Center for Urban Ethnic Affairs; Daphne Kwok, executive director, Organization of Chinese Americans, Inc.; and Albert Mokhiber, president, American Arab Anti-Discrimination Committee. **Panel Three. Hate Incidents:** Howard Ehrlich, director of research, National Institute Against Prejudice and Violence; Grace Flores Hughes, Director, Community Relations Service (CRS), U.S. Department of Justice; Jess Hordes, Washington director, Anti-Defamation League of B'nai B'rith; Danny Welch, director, Klanwatch; and Harper Wilson, Section Chief, Uniform Crime Reports Section, Federal Bureau of Investigation (FBI). **Panel Four. Changing Demographics:** William O'Hare, director of population and policy research, University of Louisville; Evelyn Hu-Dehart, director, Center for the Study of Ethnicity and Race in America, University of Colorado; Gary Sandefur, director, American Indian Studies Program, Institute for Research on Poverty, University of Wisconsin at Madison; and Nancy Denton, professor of sociology, State University of New York at Albany, coauthor of *American Apartheid: Segregation and the Making of the Underclass* (Cambridge, MA: Harvard University Press, 1993). **Panel Five. Multiculturalism:** Mary Futrell, senior consultant, Quality Education for Minorities Network; Robert Royal, vice president and fellow, Ethics & Public Policy Center; Joan Scott, professor of social science, Institute for Advanced Studies; Roger Wilkins, professor of history, George Mason University; and Mike Anderson, executive director, National Congress of American Indians. **Panel Six. Socioeconomic Factors—Part 1:** Larry Lindsey, governor, Board of Governors of the Federal Reserve; Charles Murray, Bradley Fellow, American Enterprise Institute; and Paul Peterson, professor of government, Harvard University. **Panel Seven. Socioeconomic Factors—Part 2:** Timothy Bates, chair, Department of Urban Policy Analysis, New School for Social Research; Catherine Bessant, senior vice president for community reinvestment, NationsBank Corp.; Allen Fishbein, general counsel, Center for Community Change; and Billy Tidwell, director of research, National Urban League. **Panel Eight. Civil Rights:** Ira Glasser, executive director, American Civil Liberties Union; Karen Narasaki, Washington representative, Japanese American Citizens League; Milton Morris, vice president for research, Joint Center for Political and Economic Studies; Louis Nuñez, president, National Puerto Rican Coalition; and Stanley Sue, M.D., professor of psychology, University of California at Los Angeles.

Summary of Testimony

Following 2 days of testimony, five key themes emerged from the U.S. Commission on Civil Rights' (the "Commission") *Racial and Ethnic Tensions in American Communities: Poverty, Inequality, and Discrimination—A National Perspective* hearing (the *"National Perspectives Hearing"*) as primary causes of persistent, and in some cases, increased racial and ethnic tensions: (i) crisis in leadership; (ii) media portrayals of existing tensions; (iii) deficiencies in the educational system; (iv) disparities in the criminal justice system, and (v) growing economic inequality. In addition to these themes, many witnesses testified that the nature of racial and ethnic tensions has itself transformed as a result of the rapid demographic reconstitution of American society. These witnesses indicated that, along with the changing face of America, the need has emerged to include and address the concerns of newer population groups in the civil rights agenda. Although most witnesses were able to pinpoint specific causes of racial and ethnic tensions, many testified that, overall, the Nation is in a state of denial, failing either to acknowledge or to address the issue comprehensively.

This summary begins with a synopsis of empirical data offered by various witnesses in support of the perception that racial and ethnic tensions are on the rise. Witness testimony on the Nation's changing demographics and the effect of these changes on racial and ethnic tensions is then summarized. The summary next turns to the testimony depicting the unfortunate circumstance of national denial of racial and ethnic tensions. Finally, the summary presents a brief overview of the testimony relating the primary causes that are endemic to persistent racial and ethnic tensions throughout the Nation.

Evidence of Increasing Tensions: Ethnoviolence and Bias Crimes

The Commission heard testimony that the New York City Police Department tallied 525 bias-related incidents occurring in the city during 1991, with predictions that a record would be set in 1992.[9] Ellis Cose, author of the recently published *The Rage of the Privileged Class*,[10] testified that New York City is not isolated in escalating incidents of bias crimes, as New Jersey State Police tabulated 976 bias offenses within the State in 1991, as compared with 824 in 1990.[11] According to Cose, 1991 marked the fourth consecutive year that New Jersey reported an increase of bias crimes.[12] California experienced a rise in 1992 also, with a statewide commission concluding that hate crimes[13] were at an all-time high.[14]

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9 Ellis Cose, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 23 (hereafter cited as *National Perspectives Hearing*).

10 *See The Rage of a Privileged Class: Why are middle-class blacks angry? Why should America care?*, New York: Harper Collins *Publishers*, 1993. Cose is also the author of *A Nation of Strangers: Prejudice, Politics, and the Population of America*, New York: William Morrow & Co., 1992.

11 Cose Testimony, *National Perspectives Hearing*, p. 23.

12 Ibid.

13 The Hate Crimes Statistics Act requires the Attorney General to compile statistics on crimes manifesting "evidence of prejudice based on race, religion, sexual orientation, or ethnicity, including where appropriate the crimes of murder, non-negligent manslaughter; forcible rape, aggravated assault, simple assault, intimidation, arson and destruction, damage or vandalism of property." Hate Crimes Statistics Act, P.L. 101–275, 104 Stat 140 (*codified* 28 U.S.C. § 534 n (1992)). In other words, "hate crimes are not separate, distinct crimes, but rather, traditional offenses that are motivated by the offenders' bias." *See also* Harper Wilson, Section Chief, Uniform Crime Reports Section, U.S. Department of Justice, Federal Bureau of Investigation, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 78.

14 Cose Testimony, *National Perspectives Hearing*, p. 24.

Grace Flores Hughes, former Director of the Community Relations Service of the U.S. Department of Justice (CRS), testified that in 1991 CRS filed 4,290 alerts of potential community-wide racial conflicts, nationwide.[15] Of these alerts, 287 involved the perception that a hate crime or incident had occurred, or was about to occur.[16] The number of alerts issued by CRS showed a steady increase from 1989 (176) to 1990 (192), culminating in a 3-year high in 1991 (287).[17]

Statistics did not clearly indicate whether the largest category of such offenses was racial or ethnic in nature. Mr. Cose testified that Minnesota's Department of Public Safety reported that bias crime had increased 38 percent in 1991, with racial incidents accounting for 333 of the total of 425 reports.[18] Moreover, blacks were targeted in 37 percent of all reported bias crimes nationally that year.[19]

The Anti-Defamation League of B'Nai B'rith (ADL) recorded an upsurge in hate incidents and hate crimes in recent years.[20] According to Jess Hordes, Washington director of the ADL, beginning in 1987, the ADL documented a steady rise in the number of reported hate incidents.[21] In the ADL's 1991 audit of anti-Semitic incidents, 1,879 separate incidents of vandalism, violence, or harassment were reported—an 11 percent increase over 1990 figures.[22] Similarly, Karen Narasaki, of the Japanese American Citizens League, testified that increased incidents of anti-Asian violence occurred in the first 4 months of 1992,[23] and Albert Mohkiber of the American-Arab Anti-Discrimination Committee testified about increased attacks against Arab Americans.[24]

Testimony was inconclusive on whether the increasing number of reports actually reflects an acceleration in the occurrence of hate crimes, or whether the number of such occurrences has remained constant, while the act of *reporting* hate crimes has simply become more prevalent. In addition, contradictory testimony was offered as to the actual meaning of increased reports of hate crimes *in the context of* overall racial tensions. Witnesses did agree, however, that hate crime laws have proven useful for law enforcement agencies seeking to respond to this problem.[25] According to Mr. Hordes, not only do statistics on hate crimes equip our leaders at the Federal, State, and local levels with essential information to allocate their resources appropriately, but the collection of such data also educates law enforcement officers on how to identify and respond to such crimes most effectively.[26]

Figures provided by witnesses appear to represent only the tip of the iceberg, however, since

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15 Grace Flores Hughes, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 73.

16 Ibid.

17 Ibid., p. 74.

18 Cose Testimony, *National Perspectives Hearing*, p. 24.

19 Ibid., p. 23.

20 Jess Hordes, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, pp. 75–76.

21 Ibid., p. 75.

22 Ibid., p. 75.

23 Karen Narasaki, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 191.

24 Albert Mohkiber, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, pp. 59–61.

25 Harper Wilson, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, pp. 78–79; Danny Welch, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 77; and Hordes Testimony, *National Perspectives Hearing*, pp. 75–76.

26 Hordes Testimony, *National Perspective Hearing*, p. 76.

most hate crimes go unreported.[27] Despite increased reports of ethnoviolent incidents[28] by the law enforcement community and civil rights organizations, one witness, nevertheless, estimated that three-quarters of all ethnoviolent incidents are never reported to any public agency or designated officials in schools or work places.[29] Howard Ehrlich, Director of Research at the National Institute Against Prejudice and Violence, testified that practically no one reports incidents of ethnoviolence, and nonreporting figures range from 80 to 90 percent of all victims.[30]

The Commission heard testimony that victims of bias-related incidents may be more likely to report episodes that occur in public neighborhood settings, as compared to schools, work places, or other closed institutions.[31] Mr. Ehrlich explained that nonreporting in these settings is attributable to a complex set of reasons, including the victim's denial of the significance of the ethnoviolent incident, the belief that authorities will be unresponsive, and fear of retaliation or other detrimental consequences of reporting. For example, in a national survey conducted by the National Institute of Prejudice and Violence, persons victimized at work were determined less likely to report an incident they believed was motivated by prejudice than one they believed was motivated for some other reason.[32]

The Commission also heard testimony that nonreporting/underreporting was a particular problem with school-age children. Mary Futrell of the Quality Education for Minorities Network, noted that in 1992, the People for the American Way conducted a study dealing with the racial attitudes of young people from 15 to 24 years old.[33] According to Ms. Futrell, other studies have echoed the findings of the People for the American Way report. Especially shocking, in her view, was a finding that approximately 60 to 70 percent of students interviewed related that they had, at one time or another, been the victim of a racial or an ethnic incident or knew of someone who had been so victimized.[34]

Ms. Futrell suggested during her testimony that underreporting may be evidence of

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27 Howard Ehrlich, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 71; Wilson Testimony, *National Perspective Hearing*, p. 79.

28 The term "ethnoviolence" denotes those events that are violent expressions of prejudice, but, which unlike hate crimes, are not classified as crimes. According to Howard Ehrlich, director of research for the National Institute Against Prejudice and Violence,

"While it is true that all attitudes have an emotional component, it is not true that prejudice, as a particular form of an attitude, is primarily based on the emotional response of hatred [and] not all prejudice involves strong emotions. . . . [T]he white supremacists producing racist propaganda may be acting in a calculated and nonemotional way. The white homeowner attacking black newcomers to the neighborhood may be acting out of fear, not hatred, and the teenagers assaulting a gay man may be acting in conformity with group norms."

Ehrlich Testimony, *National Perspectives Hearing*, p. 71.

29 Ibid.

30 Ibid., p. 72.

31 Ibid.

32 Ibid., p. 73.

33 *Democracy's Next Generation II: A Study of American Youth on Race*. People for the American Way, 1992. People for the American Way commissioned Peter D. Hart Research Associates to conduct the study, which began with a national survey and followed up with focus groups and 78 one-on-one interviews. Arthur J. Kropp, written testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, pp. 29–30.

34 Mary Futrell, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 116. *See* Mary Hatwood Futrell, senior consultant, Quality Education for Minorities Network, written testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, pp. 115–18.

increased tolerance for racial bigotry. Ms. Futrell testified that in a survey predating the People for the American Way study, students were asked what they would do if they came upon a racial incident in progress.[35] Approximately 60 percent of students responding said that they would not report the incident to an adult authority, while 45 percent said that they would probably join in. According to Ms. Futrell, these studies highlight the prevalence of racial and ethnic stereotypes in this country.[36]

Underreporting aside, school populations are most representative of the pluralism and diversity of American society. They mirror many of the problems experienced in the adult world, and have begun to experience escalating racial and ethnic tensions as well.[37] Reports of hate crimes and ethnoviolence involving the Nation's youth have increased dramatically, and according to Mr. Ehrlich, case studies conducted in Baltimore and Richmond by the National Urban League, indicated that 25 percent of area college students were victimized at least once during the course of an academic year.[38] Mr. Ehrlich further estimated that the modal figure for case studies on college campuses was, in fact, 25 percent.[39]

In 1989 the American Council on Education reported incidents involving racial violence and harassment of minorities at 174 college campuses.[40] Dr. Manning Marable, professor of political science and history at the University of Colorado at Boulder, testified that racial violence and acts of racial intimidation ranged from the arson of a black fraternity house at the University of Mississippi, to the harassment of an African American cadet at the Citadel in South Carolina by white cadets wearing Ku Klux Klan apparel.[41] In addition, the ADL's 1991 audit included record totals for anti-Semitic arsons, bombings, and cemetery desecrations, and the highest number of anti-Semitic incidents ever recorded in 1 year on American college campuses.[42] Ms. Flores Hughes also confirmed that during her tenure as Director of the CRS, a number of reported incidents came from college campuses. Ms. Hughes speculated that, possibly "they were there all along but no one reported them, but they're reporting them now, and they're very, very serious incidents."[43]

In response to the view that the majority of hate crimes and incidents of ethnoviolence are unreported, witnesses offered differing opinions on the need for further national data collection efforts. Mr. Wilson and Ms. Flores Hughes nevertheless stated that participation by law enforcement agencies must grow considerably before valid nationwide *assessments* of the hate crime problem can be made.[44] Danny Welch, director of Klanwatch, testified that at the time of the hearing, participation by States in collection efforts was voluntary. He reported that in 1991

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35 Ibid.

36 Ibid.

37 Futrell Testimony, *National Perspectives Hearing*, p. 116.

38 Ehrlich Testimony, *National Perspectives Hearing*, pp. 72, 86.

39 Ibid., p. 72. *See generally* Kropp Testimony, *National Perspectives Hearing*, pp. 29–30; Manning Marable testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, pp. 31–32; Hordes Testimony, *National Perspectives Hearing*, pp. 75–76; and Welch Testimony, *National Perspectives Hearing*, pp. 76–78.

40 Marable Testimony, *National Perspectives Hearing*, pp. 31–32.

41 Ibid., p. 32.

42 Hordes Testimony, *National Perspectives Hearing*, p. 76.

43 Flores Hughes Testimony, *National Perspectives Hearing*, p. 88.

44 Wilson Testimony, *National Perspectives Hearing*, p. 79; Flores Hughes Testimony, *National Perspectives Hearing*, pp. 73–75.

only 11 States had provided data to the FBI.[45] He further testified that without mandatory participation by States, accurate data will not be available to identify trends or to develop responsive programs.[46]

Mr. Ehrlich, however, suggested that there is no need for additional research, unless the purpose is to "convince people who perhaps no amount of research will ever convince."[47] According to Mr. Ehrlich, ethnoviolence and bias crime are epidemic. He further suggested that "if we had a disease entity that w[as] hitting this proportion of the population, the Surgeon General of the United States would have called it a clear cut disaster."[48] Mr. Hordes reported that, at the time of the hearing, over 30 States had enacted hates crimes laws based on or similar to the ADL's model.[49]

Changing Demographics

Several witnesses noted that the United States is rapidly becoming more diverse. Dr. William O'Hare, director of population and policy research at the University of Louisville, testified that the "new minorities,"[50] Asian Americans, Pacific Islanders, and Hispanic groups are growing at a brisk pace. The number of Asian Americans more than doubled between 1980 and 1990, and the Hispanic population increased by more than 50 percent over the same time span.[51] In contrast, however, the African American population grew by only 12 percent over this same period.[52]

Immigration has historically been a source of tension in American society.[53] For example, in the first decade of this century when nearly 9 million newcomers journeyed to the United States, the number of Americans who were immigrants was higher than any the Government had tabulated since it first started tracking statistics in 1820.[54] Immigration has once again climbed to unprecedented levels. For the first time since the turn of the century, the United States, in 1989, welcomed more than 1 million immigrants in a single year.[55] In 1990 the immigration record was set when over 1.5 million entered the United States.[56] Dr. O'Hare testified that in the 1980s roughly 75 percent of the Asian and Pacific Islander growth and 50 percent of the Hispanic growth was due to immigration.[57] Moreover, almost a sixth of African American population growth during the 1980s was due to immigration from Africa and the Caribbean.[58]

These changes have occasioned the emergence of unique problems for new populations or those associated with them. Daphne Kwok, executive

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45 Welch Testimony, *National Perspectives Hearing*, p. 77.

46 Ibid., p. 84.

47 Ehrlich Testimony, *National Perspectives Hearing*, p. 85.

48 Ibid.

49 Hordes Testimony, *National Perspectives Hearing*, p. 75.

50 William O'Hare, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 95.

51 Ibid., p. 96.

52 Ibid.

53 Cose Testimony, *National Perspectives Hearing*, pp. 24, 46–47.

54 Ibid., p. 24.

55 Ibid.

56 Ibid.

57 O'Hare Testimony, *National Perspectives Hearing*, p. 96.

58 Ibid.

director of the Organization of Chinese Americans, testified that although Asian Americans have only recently been able to be naturalized, the immigration history of Asians is largely unknown to the American population at large. Because of their "readily identifiable . . . physical characteristics," however, Asian-Americans confront a unique set of circumstances that stimulate racial tension.[59] Ms. Kwok stated that "Asian Americans are subject not only to xenophobia based on . . . color . . . and . . . different appearance, but . . . also . . . to the negative implications of some of our success."[60] Louis Nuñez, president of the National Puerto Rican Coalition, stated that "we can no longer talk as if there were one minority."[61]

As a result of America's rapidly changing demographics, most witnesses agreed that a fresh, new paradigm is needed in which to address the issue of racial and ethnic tensions.[62] For example, Charles Kamasaki, vice president of the office of research, advocacy, and legislation for the National Council of La Raza, testified that "the traditional civil rights and antipoverty agendas have failed to adequately or equitably serve the Hispanic community."[63] Gary Sandefur, director of the American Indian Studies Program at the University of Wisconsin at Madison, noted that the Native American population, which is not largely influenced by immigration, grew approximately 38 percent during the 1980s.[64] He further suggested that some traditional civil rights problems are experienced also by Native Americans. "So it's really not appropriate to think of these issues as things that only affect the Latino or black population residing in larger metropolitan areas."[65]

Witness testimony confirmed that future dialogues must include new groups who are likely to be affected by racial conflict in both traditional and unique ways. Moreover, the effect of racial tensions on all ethnic groups, whether recent immigrants or long-term citizens, must be subject to debate. This new dialogue will require strong new leadership equipped with the courage not only to address the issue of racial and ethnic tensions, but to implement an agenda that will reflect and incorporate the diversity of our society.[66]

National Denial Concerning the State of Racial/Ethnic Relations

Overall, several witnesses agreed that this country is in a state of denial about the existence and causes of, and consequently, the needed solutions to racial and ethnic tensions. Gross institutionalized racial injustice is an issue that the country has never faced fully, or committed itself to resolve.[67] Indeed, at crucial points, American society has retreated from addressing the critical subject of race, and learned to tolerate, rather than to eradicate racial inequality.[68]

Witnesses asserted varied reasons for the continued avoidance of racial and ethnic tensions.

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59 Daphne Kwok, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 57.

60 Ibid.

61 Louis Nuñez, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 194.

62 *See generally* Charles Murray, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, pp. 142–44; Paul Peterson, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, pp. 145–46.

63 Charles Kamasaki, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 53.

64 Gary Sandefur, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 100.

65 Ibid., p. 101.

66 Milton Morris, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 191.

67 Ira Glasser, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 186.

68 Ibid.

Clarence Page, Pulitzer Prize-winning columnist for the *Chicago Tribune*, testified that the definition of "racist" in the minds of most people is not the same as the dictionary definition.[69] Based upon his discussions at a suburban high school in a progressive neighborhood in Chicago, Mr. Page maintained that some people believe that "racism" is simply defined as a belief that one race is superior to another, and that, therefore, anybody may be racist.[70] According to Mr. Page, however, a significant number of African Americans adhere to the view that blacks cannot be racist because they are an oppressed group. Under this view, Mr. Page indicated, that oppression and the ability to oppress is intrinsic to the definition of racism.[71] Conversely, Ellis Cose maintained that racism not only includes people who hate people of color, but also people who profess to love people of color, but believe that they are intellectually inferior to whites.[72] Thus, the lack of consensus on the meaning of the term may explain, in part, the country's difficulty as a nation in engaging in a meaningful dialogue on racism.[73]

Others testified that when the issue of racial and ethnic tensions is broached, however, "white racism," or the entrenched prejudices and stereotypes of minorities held by white Americans—including subtle and blatant opinions and acts of discrimination—is rarely addressed.[74] According to Professor Andrew Hacker, author of *Two Nations: Black and White, Separate, Hostile, and Unequal,*[75] there exist endless studies on blacks as a racial group, but hardly a book on the majority racial group in this country.[76] Dr. Hacker testified that in a "harsh, highly competitive society, whiteness brings status, security, superiority," and a feeling that "no matter what can happen to you . . . if you're still white, well—you may not get to the top, you can fall a bit, but you can fall only just so far."[77] Dr. Hacker suggested that the Commission focus on all 200 million whites in the United States as a racial group "as a means of getting whiteness to the surface," and thereby squarely confronting the issue of white racism.[78]

Underlying Causes of Increased Tensions

Crisis of Leadership

A number of witnesses commented that underscoring the problem of increased racial and ethnic tensions is a crisis of leadership.[79] One witness stated that what is and has been most lacking in both addressing and attacking the

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69 Clarence Page, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21-22, 1992, p. 37.

70 Ibid.

71 Ibid.

72 Cose Testimony, *National Perspectives Hearing*, p. 37.

73 Page Testimony, *National Perspectives Hearing*, p. 37.

74 Joe Feagin, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, pp. 25–27; Hacker, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 28.

75 Andrew Hacker, *Two Nations: Black and White, Separate, Hostile, and Unequal* (New York: Maxwell Macmillan International, 1992).

76 Hacker Testimony, *National Perspectives Hearing*, p. 28.

77 Ibid.

78 Ibid.

79 *See generally* Cose Testimony, *National Perspectives Hearing*, p. 25; Page Testimony, *National Perspectives Hearing*, p. 35; O'Hare Testimony, *National Perspectives Hearing*, p. 108; Wilkins Testimony, *National Perspectives Hearing*, pp. 124–26; and Morris Testimony, *National Perspectives Hearing*, p. 193.

issue of race relations over the past several years is leadership committed to a truly egalitarian society.[80] Instead, according to Milton Morris, vice president for research at the Joint Center for Political and Economic Studies, it has been politically expedient to be divisive and to focus on those segments of the population that represent an attractive political majority.[81] Unfortunately, however, he added, in doing so, we have abandoned precious and vital elements of our society that symbolize America as a diverse, yet united society.[82]

Testimony varied on the types and degrees of leadership that are needed. Dr. O'Hare, for example, suggested that civil rights leaders and all levels of government must forthrightly oppose all forms of discrimination, because the absence of strong official reaction has opened the door for "all kinds of bigots and mean-spirited people."[83] Ira Glasser, executive director of the American Civil Liberties Union, suggested that the most serious void exists in the political community. Mr. Glasser testified that the corporate community is often more responsive to civil rights issues than the political community.[84] He attributed this responsiveness to what he described as an economic "self-interest in equality."[85] Mr. Glasser added, however, that there is neither sufficient nor significant leadership in the corporate community, but that, compared to the political community, there is *more of it*.[86]

The Commission heard testimony that more high level leadership is needed to address the issue of racial and ethnic tensions. Clarence Page noted that, in the past, the military provided a model of effective reduction in discrimination. According to Page, when prominent leaders said, "'Okay, no more discrimination, you saw action.' You saw *real* action."[87]

Media Portrayals of Existing Tensions

Witnesses generally agreed that media treatment of existing racial and ethnic strife often serves to provoke racial and ethnic tensions, and, in some cases, exacerbates preexisting tensions.[88] According to Arthur Kropp, president of People for the American Way, next to parental guidance, the media may have the greatest influence in shaping public perceptions, particularly among our young people.[89] Unfortunately, however, the media often fail to deal with the issue of racial and ethnic tensions responsibly, and the images that are repeatedly presented to our children generally are negative.[90]

Witnesses testified that in addition to media distortions of and emphasis on racial conflict, its portrayal of minorities may contribute to tensions as well. Clarence Page, editorial board

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80 Morris Testimony, *National Perspectives Hearing*, p. 193.

81 Ibid.

82 Ibid.

83 O'Hare Testimony, *National Perspectives Hearing*, p. 108.

84 Glasser Testimony, *National Perspectives Hearing*, pp. 203–04.

85 Ibid., p. 203.

86 Ibid.

87 Page Testimony, *National Perspectives Hearing*, p. 35 (emphasis added).

88 *See generally* Kropp Testimony, *National Perspectives Hearing*, p. 30; Page Testimony, *National Perspectives Hearing*, p. 34; Timothy Bates, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 162; Stanley Sue, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 196; Narasaki Testimony, *National Perspectives Hearing*, p. 198.

89 Kropp Testimony, *National Perspectives Hearing*, p. 30.

90 Ibid.

member of the *Chicago Tribune*, testified that although African Americans have come a long way in many professions, the media project two archetypes—either Willie Horton or Bill Cosby, thus failing to acknowledge the vast diversity of the African American community in between.[91]

Witnesses suggested that, in large part, the popular media sets the agenda for addressing racial and ethnic tensions. In so doing, they often miss key harms urgently in need of redress. For example, Dr. Stanley Sue, professor of psychology at the University of California, Los Angeles, testified that the media portrayed the events surrounding the 1992 riots in Los Angeles following the verdict in the first Rodney King trial as largely a black-white affair.[92] In reality, however, Dr. Sue testified that Korean Americans suffered half of all of the property damage that occurred in Los Angeles, a fact that the media largely overlooked.[93] Similar sentiments were expressed to the Commission by Karen Narasaki, of the Japanese American Citizens League, who testified that the Asian community was not fully included in much of the dialogue that took place following the riots. She attributed the exclusion to the media's portrayal of the problem as one essentially involving blacks and whites.[94]

One witness suggested that the media often serve to suppress needed dialogue on racial issues. Joe Feagin, graduate professor of sociology at the University of Florida at Gainesville, testified that following the 1992 riots in Los Angeles, many articles in the mass media targeted black Americans, to ask how they—the middle class, the rioter, the resident, the black politician—thought, felt, and reacted.[95] In turn, he stated, white leaders spoke out on the need for black morality, black hope, and community rebuilding.[96] Despite expansive dialogue, Dr. Feagin emphasized the absence of a single article on the role of white racism in creating the foundation for racial conflict in the United States.[97]

Deficiencies in the Educational System

Most witnesses agreed that education is one of the most effective tools in combating racial and ethnic tensions. Further, witnesses suggested that the educational environment was particularly fitting because of the considerable diversity of the Nation's student population. Increasingly higher percentages of the more than 47 million students in the U.S. attending more than 100,000 elementary and secondary schools and 3,000+ colleges and universities come from racial and ethnic minority backgrounds.[98] Based on estimates by Harold Hodgkinson of the Institute for Educational Leadership,[99] Mary Futrell testified that by the year 2000, more than 30 percent of all school-age children in this country will represent language and racial minority groups. More than 50 percent of these school-age children will come from families living at or below the poverty level.[100]

Ms. Futrell testified further that school-age children are experiencing increased tensions

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91 Page Testimony, *National Perspectives Hearing*, p. 34.

92 Sue Testimony, *National Perspectives Hearing*, p. 196.

93 Ibid.

94 Narasaki Testimony, *National Perspectives Hearing*, p. 198.

95 Feagin Testimony, *National Perspectives Hearing*, p. 25

96 Ibid.

97 Ibid.

98 Futrell Testimony, *National Perspectives Hearing*, p. 115.

99 Ibid.

100 Ibid.

that are expressed not only through physical and verbal abuse, but through social, economic, and political isolation as well.[101] As a prime example, Ms. Futrell explained that the structure of the educational system, particularly, the academic curriculum, often isolates children based on nonrelevant factors and is determinative of future life choices.[102] She told the Commission that there is ample evidence to demonstrate that throughout the United States, the structure and operation of the educational system is a basic determinant of a student's later options.[103] She testified further that if a student is not in the gifted and talented or academic excellence programs—which minority students rarely are—he/she often will not receive the background necessary to prepare for college.[104] She clarified that the student may still be able to gain admission into college, but that it is more difficult because admission is a political process, as well as an educational one.[105]

One witness described the raging debates of the last few years about multiculturalism in the school and university curriculum as an expression of ethnic, and especially racial, tensions in this country.[106] Nevertheless, much like the debate over a common understanding of the term "racism," the Commission heard testimony suggesting that there is a good deal of misunderstanding about what multicultural education is intended to accomplish.

For example, Ms. Futrell testified that the term "multiculturalism" refers not only to race or ethnicity, but to racial, ethnic, political, religious, economic, class, geographic, and gender-based characteristics that define the American people.[107] Thus, she explained that the term "multicultural education" means education that values pluralism and cultural diversity and enhances equal opportunity within schools, and, thus, within our society.[108] Joan Scott, professor of social science, Institute for Advanced Studies, explained that multiculturalism usually means devoting attention in our teaching to the historical experiences of racial and ethnic differences in American history, and to the fundamentally different perspectives and points of view embodied by these experiences.[109]

Dr. Scott testified further that, in a way, the debate on multiculturalism is also a debate about race; it is about whether minority groups, particularly African Americans, will be allowed to articulate their perspective on American history.[110] On the other hand, Robert Royal, vice president and fellow at the Ethics and Public Policy Center, testified that some of what is passing under the banner of multiculturalism is simply bad history, in that it falsifies the record and is misused in current controversies.[111]

In the face of increasing diversity among student populations, witnesses described resistance, or a "backlash" against multicultural education. For example, Evelyn Hu-DeHart, director

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101 Ibid., pp. 115, 117.

102 Ibid., pp. 116–17.

103 Ibid., pp. 130–31.

104 Ibid., p. 131.

105 Ibid.

106 Joan Scott, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 121.

107 Futrell Testimony, *National Perspectives Hearing*, p. 117.

108 Ibid.

109 Scott Testimony, *National Perspectives Hearing*, p. 121.

110 Scott Testimony, *National Perspectives Hearing*, p. 134.

111 Robert Royal, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 120.

of the Center for the Study of Ethnicity and Race, testified that some have characterized multiculturalism as "1960s radicals imposing politically correct views" on students.[112] Dr. Hu-DeHart testified that part of multicultural education is designed to open doors and to make learning more accessible to people of color. Examples are various fellowships and scholarship opportunities developed in the context of affirmative action. Despite the proven effectiveness of these initiatives, Dr. Hu-DeHart opined that we are in danger of losing them as a result of the popular backlash.[113] These contradictions must be resolved and the Nation must decide whether it is truly committed to diversity. If so, that commitment must be reflected in the way we educate our children now and in the way we plan for new generations of Americans.[114]

Disparities in the Criminal Justice System

A number of witnesses testified that most minorities believe that the justice system is irreparably biased.[115] Edward A. Hailes, Jr., Washington Bureau counsel for the National Association for the Advancement of Colored People (NAACP) testified that the video-taped beating of Rodney King by officers of the Los Angeles Police Department has come to symbolize the very essence of police brutality and official misconduct.[116] Mr. Hailes contended that the verdict in the first trial against the LAPD officers accused of beating Mr. King was yet another reminder to African Americans that being black in this country often means living under a different set of rules, and that the criminal justice system, like other institutions, can be perverted on the basis of race.[117]

According to Ira Glasser, this country is responding to a number of problems by saturating its prisons with black people.[118] FBI statistics indicate that 12 percent of drug users and dealers are black, 38 percent of drug arrests are black, and over half of prison inmates are black.[119] Mr. Glasser commented:

> [W]e have multiplied the number of prisoners in the last 25 years by five times, and most of it is drug related, and most of it is black. Some 25 percent of young, black men are under the jurisdiction of a criminal justice agency now. Homicide is the leading cause of death among young, black men. We want to know why so few go to college? It is because they are dying and incarcerated.[120]

As a result Mr. Glasser implied, it is no surprise that minorities are so unwilling to trust the criminal justice system.[121] He concluded, however, that, "[w]e have to take some collective

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112 Evelyn Hu-DeHart, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 99.

113 Ibid., p. 111.

114 Ibid., p. 114.

115 *See generally* Edward Hailes, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 51; Cose Testimony, *National Perspectives Hearing*, p. 5; Page Testimony, *National Perspectives Hearing*, p. 35; and Glasser Testimony, *National Perspectives Hearing*, p. 189.

116 Hailes Testimony, *National Perspectives Hearing*, p. 51.

117 Ibid.

118 Glasser Testimony, *National Perspectives Hearing*, p. 189.

119 Ibid.

120 Ibid.

121 Ibid., pp. 188–89.

responsibility . . . [because] [t]his is not a black problem. This is an American problem."[122]

Finally, Clarence Page noted that police brutality tends to be the precipitating cause of over 90 percent of modern urban riots.[123] Moreover, he suggested that despite disillusionment with the justice system people sincerely want the system to work. Mr. Page stated that even in the days following the Rodney King beating, the absence of an immediate reaction demonstrated initial faith in the justice system.[124] People waited 14 months for justice to work, and only when they detected a breakdown in the system did they react.[125] According to Ira Glasser, people rioted because of the failure of the justice system occasioned by the verdict in the first trial of the officers involved in the Rodney King beating, which was emblematic and symptomatic of a pervasive, suffocating failure of equal justice that is woven into the fabric of all of their lives.[126]

Economic Inequality

Without question, the erratic performance of the Nation's economy exacerbates racial and ethnic tensions. The Commission repeatedly heard testimony that uniform distribution of economic opportunity is, in fact, an essential ingredient to racial and ethnic peace.[127] Milton Morris summarized this view succinctly:

> There are no indications that, in this society or elsewhere, racial harmony can coexist alongside poverty, hopelessness and a continually deteriorating quality of life . . . [W]hat we have created . . . is an environment in which there are not just tensions between the dominant white society and ethnic minorities, but we have created the conditions for interethnic strife.[128]

The fundamental message of the hearing testimony on continuing economic inequality and poverty in the United States was the recognition that America's public policy has erred in separating civil rights from economic opportunity.[129] In enacting laws designed to secure basic political rights and to remove discriminatory elements from our society, this country has essentially considered the job complete without fully appreciating that economic opportunity is an integral part of civil rights.[130] Poverty is never considered a civil rights issue.[131] Ira Glasser testified, however, that this country must start thinking of it as such because it is a disaster—a disaster for anyone born into and limited by poverty, but also "a disaster of a different kind when poverty itself is not evenly distributed. When it correlates with race, that cannot be accident."[132]

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122 Ibid., p. 189.

123 Page Testimony, *National Perspectives Hearing*, p. 35 .

124 Ibid.

125 Ibid.

126 Glasser Testimony, *National Perspectives Hearing*, p. 189.

127 *See generally* Morris Testimony, *National Perspectives Hearing*, p. 192; Bates Testimony, *National Perspectives Hearing*, p. 163; Fishbein Testimony, *National Perspectives Hearing*, pp. 165–67; Peterson Testimony, *National Perspectives Hearing*, pp. 145–46; and Tidwell Testimony, *National Perspectives Hearing*, pp. 168–70.

128 Morris Testimony, *National Perspectives Hearing*, p. 192.

129 ibid.

130 Ibid.

131 *See* Glasser Testimony, *National Perspectives Hearing*, p. 188.

132 Ibid.

Mr. Glasser described poverty as a "special problem" when three times as many black children are born poor as compared to white children.[133]

Because of the interrelationship of economic opportunity and racial and ethnic tension, the testimony projected a dim prognosis for racial and ethnic relationships for future generations. For example, Paul Peterson, professor of government at Harvard University, testified that despite more than 20 years since the passage of significant civil rights legislation and the election of increased numbers of African Americans to public office, fundamental economic and social conditions for many African Americans have not improved.[134] Dr. Peterson intimated that the "Short-term Band-aids and targeted programs aimed at specific groups or certain communities," that were developed, in part, in response to the civil unrest of the 1960s, "will simply not work."[135] In their place, Dr. Peterson recommended the structural overhaul of three major institutions in American society: "our medical services delivery system, our welfare system, and our educational system."[136]

The testimony of both Milton Morris and Timothy Bates, chair of the Department of Urban Policy Analysis at the New School for Social Research,[137] was particularly troubling in its account of the overall developments in the industrial sector.[138] While the industrial sector has grown substantially in recent years, with this growth many jobs have relocated to communities less accessible to minorities.[139] In other words, the nature and location of high wage blue collar positions have changed, and many minority workers have been displaced in the process. Moreover, the content of the industrial sector has also changed. Mr. Morris explained that some of the heavy industry that previously employed large segments of blue collar, working-class people has permanently disappeared.[140] Mr. Morris and Dr. Bates both continued to explain that gains in production efficiency have drastically reduced demand for labor. Consequently, large numbers of people who would otherwise have been gainfully employed in an earlier phase in our economic experience are now unemployed.[141] Unfortunately, the economy has not produced viable alternatives for this segment of the working population.[142]

Of particular concern has been the change in the character of available jobs.[143] According to Dr. Bates, not only are there fewer jobs in many of the central cities, but the remaining jobs pay significantly less than those they replaced.[144] As a result, instead of steady incremental gains in a factory environment, those who are employed are in marginal or service environments in

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133 Ibid.

134 Paul Peterson, testimony, *Hearing Before the USCCR, Washington, D.C.*, May 21–22, 1992, p. 145.

135 Ibid.

136 Ibid.

137 At the time of the hearing, Dr. Bates was affiliated with the New School for Social Policy, New York University in New York City.

138 *See generally* Morris Testimony, *National Perspectives Hearing*, p. 202; and Bates Testimony, *National Perspectives Hearing*, p. 181.

139 Ibid.

140 Ibid.

141 Ibid.

142 Ibid. and Wilkins Testimony, *National Perspectives Hearing*, p. 125.

143 Bates Testimony, *National Perspectives Hearing*, p. 181.

144 Ibid. and Morris Testimony, *National Perspectives Hearing*, p. 202.

which the wage structure moves very slowly or not at all, causing the income gap to continue to widen.[145]

According to Dr. Peterson, economic opportunities for the less well-educated have declined, with average hourly earnings for men without a high school education falling by one-third since the mid-1970s.[146] As wages declined, joblessness increased, and the percentage of nonwhite Americans with neither a high school education nor a job soared from 10 to over 20 percent.[147] Consequently, the dearth of economic opportunities and the resulting deterioration in family life produced a 50 percent increase in the poverty rate among children in the last 15 years.[148]

According to Roger Wilkins, professor of history at the George Mason University, jobs are fundamental to maintaining healthy and thriving families.[149] Witnesses noted, however, that increased competition for diminishing wage sustaining jobs has exacerbated racial and ethnic tensions, with the collateral effect of imposing additional strain on the family structure.[150]

On a communitywide scale, one witness attested that access to credit is the lifeblood of neighborhoods, and one of the most important means of enabling lower income Americans to improve their economic status.[151] Nonetheless, official policing of the Nation's fair lending laws is, and has been, inadequate.[152] Allen Fishbein, general counsel for the Center for Community Change, testified that increased enforcement of civil rights laws aimed at creating economic opportunity and combating discrimination is critical.[153] Dr. Billy Tidwell, director of research for the National Urban League, predicted there are likely to be continued intergroup conflicts and antagonisms until those barriers are eliminated, the economic pie is expanded, and real equal opportunity is provided for everyone.[154]

Witnesses testified that strong evidence continues to suggest that racial factors influence the flow of credit in this country's cities.[155] Testimony of several witnesses indicated a notable difference in acceptance rates for minority and nonminority mortgage applications.[156] For example, Allen Fishbein testified that studies indicate that "poor white applicants are more likely to be granted a mortgage loan than wealthy black applicants."[157] In addition, Mr. Fishbein testified that data shows that racial minorities as a group, are underrepresented even as applicants

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145 Morris Testimony, *National Perspectives Hearing*, p. 202.

146 Peterson Testimony, *National Perspectives Hearing*, p. 145.

147 Ibid.

148 Ibid.

149 Wilkins Testimony, *National Perspectives Hearing*, p. 125.

150 Ibid. and Peterson Testimony, *National Perspectives Hearing*, p. 145.

151 Fishbein Testimony, *National Perspectives Hearing*, p. 166.

152 Ibid., pp. 165–67.

153 Ibid., p. 167.

154 Tidwell Testimony, *National Perspectives Hearing*, pp. 184–85.

155 Fishbein Testimony, *National Perspectives Hearing*, p. 166; *see also* Bessant, testimony, *Hearing Before the USCCR, Washington, D.C.*, pp. 173–74.

156 Lindsey Testimony, *National Perspectives Hearing*, p. 149; Fishbein Testimony, *National Perspectives Hearing*, p. 166; Bessant Testimony, *National Perspectives Hearing*, p. 173.

157 Fishbein Testimony, *National Perspectives Hearing*, p. 166.

for mortgage credit.[158] The Federal Reserve Board reported that only 90,000, or 4.5 percent, of the nearly 2 million conventional loan applications received in 1990 by banks and savings institutions in urban areas were from African Americans, although blacks represented 12.3 percent of the general population in urban areas that year. Moreover, loan applications from all minorities totalled only 305,000, or approximately 15 percent of all conventional loan applications made in 1990, despite the fact that minorities constitute 23 percent of the general population.[159]

Catherine Bessant, senior vice president for community reinvestment of the NationsBank Corporation, countered by stating that "the evidence indicates that the issues which limit credit availability among our nation's minority population are socioeconomic rather than racial in origin."[160] Similarly, Lawrence Lindsey of the Board of Governors of the Federal Reserve, testified that for all races, "the primary criteria are credit criteria."[161] He further indicated that, although efforts to eliminate discrimination from lending practices must continue, the extent of racial discrimination in mortgage lending may not be as prevalent as has been perceived.

Other witnesses nevertheless stressed that the statistical disparities are so striking, and so consistent with a generation of earlier research, that they raise the question of whether the mortgage loan approval process is infected with discrimination.[162] Timothy Bates was more direct. He testified that this country has an aversion to the minority community above and beyond a black-white differential.[163] Specifically, Dr. Bates testified that evidence suggests that even among approved loans, loan amounts differ between minorities and nonminorities.[164] In terms of the loan-to-equity ratio, he testified that the typical black-owned business is awarded less than half the loan dollars per equity dollar than nonminority small businesses.[165]

Overall, witnesses agreed that increased support for economic development incentives is needed. John Kromkowski, president of the National Center for Urban Ethnic Affairs, testified that he has no doubts that community ownership of housing, or community developed housing projects, are perhaps the only means of assuring shelter for low- and moderate-income people.[166] Mr. Kromkowski testified, however, that unfortunately these programs have not had the kind of national support that they deserve at any point.[167]

In the area of business development, Lawrence Lindsey suggested that more attention be devoted to encouraging enterprise in inner-city areas as a means of addressing tax problems, as well as obstacles to the provision of social and

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158 Ibid.

159 Ibid.

160 Bessant Testimony, *National Perspectives Hearing*, p. 164.

161 Lindsey Testimony, *National Perspectives Hearing*, p. 149.

162 Fishbein Testimony, *National Perspectives Hearing*, p. 167.

163 Bates Testimony, *National Perspectives Hearing*, p. 184.

164 Ibid.

165 Bates Testimony, transcript at p. 160. Loan or debt to equity ratio is often referred to as leverage. For every dollar of equity, blacks receive less than half the corresponding dollar of debt that whites would receive. *See*, Timothy Bates, "Commercial Bank Financing of White- and Black-Owned Small Business Start-ups," *Quarterly Review of Economics and Business*, vol. 31, no. 1 (1991), p. 67, table 1.

166 Kromkowski Testimony, *National Perspectives Hearing*, p. 64.

167 Ibid.

public services.[168] Governor Lindsey suggested that the Federal Reserve Board has successfully fostered minority enterprise in the past. In particular, he noted that, between 1983 and 1987, the number of black-owned businesses increased 50 percent and Hispanic-owned businesses increased by 83 percent, while women-owned and Asian American-owned businesses also experienced significant growth rates.[169]

Overall, witness testimony confirmed the need for a cohesive development effort. Most agreed that much work remained in the area of funding and coordination.

Conclusion

The Commission owes a debt of gratitude for the thoughtful testimony of the witnesses at the *National Perspectives Hearing*. The eight panels convened in Washington, D.C., provided invaluable information to assist the Commission as it explores and evaluates the underlying causes and growing perception of increased racial and ethnic tensions in America. On the whole, witnesses testified that inequities in education, criminal justice, employment, and economic and entrepreneurship opportunities contribute in varying degrees to racial and ethnic conflict. The media's insensitive, imbalanced, or distorted treatment of these issues, combined with the absence of strong national leadership towards equal opportunity, further deepen the divisions within our nation's rapidly changing communities. These divisions are increasingly manifested through violence.

The Commission has committed to explore these and other issues in the *Racial and Ethnic Tensions* Hearing series.

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168 Lindsey Testimony, *National Perspectives Hearing*, p. 148.

169 Ibid.

Hearing Before the United States Commission on Civil Rights

Racial and Ethnic Tensions in American Communities: Poverty, Inequality, and Discrimination—A National Perspective

The U.S. Commission on Civil Rights convened, pursuant to notice, at 8:30 a.m. in the Office of Personnel Management Auditorium, 1900 E Street, N.W., Washington, D.C.

Present: Chairperson Arthur A. Fletcher; Vice Chairperson Charles Pei Wang; Commissioners William Barclay Allen, Carl A. Anderson, Mary Frances Berry, Esther Gonzalez-Arroyo Buckley, Blandina Cardenas Ramirez, and Russell G. Redenbaugh; Staff Director Wilfredo J. Gonzalez; General Counsel Carol McCabe Booker; attorney advisor Stella G. Youngblood; and social scientist Nadja Zalokar.

Proceedings

Morning Session, May 21, 1992

CHAIRPERSON FLETCHER. This hearing of the United States Commission on Civil Rights will come to order. Ladies and gentlemen, I am the Chairman of the Commission and on behalf of myself and my colleagues, I wish to welcome you to this hearing. I would also like to introduce myself and other members of the Commission. I will have each of the Commissioners introduce himself after I introduce myself.

I am Arthur A. Fletcher. I'm the Chairman of the Commission and the director for corporate social policy and a professor of business administration at the University of Denver in Denver, Colorado. On my right is Commissioner Mary Frances Berry. Would you please, Commissioner Berry, indicate what your exact title is and what you do?

COMMISSIONER BERRY. I am the Geraldine R. Segal Professor of American Social Thought, and professor of history at the University of Pennsylvania.

CHAIRPERSON FLETCHER. On my left, please.

COMMISSIONER BUCKLEY. My name is Esther Gonzalez-Arroyo Buckley, and I am a high school teacher of physics and head of the science department at Cigarroa High School in El Paso, Texas.

COMMISSIONER ANDERSON. I am Carl Anderson, dean of the John Paul II Institute for Studies on Marriage and Family, and vice president of the Knights of Columbus.

CHAIRPERSON FLETCHER. To my immediate left?

MR. GONZALEZ. Yes. My name is Wilfredo J. Gonzalez. I am the Staff Director at the U.S. Commission on Civil Rights.

CHAIRPERSON FLETCHER. To my immediate right, please?

MS. BOOKER. Carol McCabe Booker, general counsel, U.S. Commission on Civil Rights.

CHAIRPERSON FLETCHER. There will be other members of the Commission to join us. Commissioner Redenbaugh and Commissioner Charles Pei Wang will be here tomorrow, and Commissioner Blandina Ramirez will also be here tomorrow.

As required by law, notice of this hearing was published in the *Federal Register* on April 17, 1992. A copy of this notice will be introduced into the record. The U.S. Commission on Civil Rights is an independent, bipartisan Federal agency of the United States Government. It was established by Congress in 1957. Among its duties are the duty to appraise the laws and policies of the Federal Government, to study and collect information, and to serve as a national clearinghouse for information, all in connection with discrimination or the denial of equal protection of the laws of this nation, because of race, color, religion, sex, age, handicap, national origin, or in the administration of justice. Under the law, the Commission is required to submit reports to the President and to Congress which contain its findings and recommendations for corrective legislative and executive actions. To enable the Commission to fulfill its duties, Congress has

empowered the Commission to hold hearings and issue subpoenas for the attendance of witnesses and the production of documents. Most of the witnesses who are scheduled to testify this morning have been subpoenaed.

Perhaps I can best explain the functions and the limitations of this Commission by quoting from a decision of the United States Supreme Court: "This Commission does not adjudicate, it does not hold trials or determine anyone's civil or criminal liability. It does not issue orders nor does it indict, punish or impose legal sanctions. It does not make determinations depriving anyone of life, liberty or property." In short, the Commission does not and cannot take any affirmative action which will affect an individual's legal rights. The only purpose of its existence is to find facts which may be subsequently used as the basis for legal or executive actions.

In carrying out its legislative mandate, the Commission has made detailed studies in areas such as voting, public education, housing, employment, and the administration of justice. In the process, the Commission has held hearings across the Nation from California in the west, to New York in the east, from Michigan in the north, to Florida in the south. In doing so, the Commission's purpose is not to embarrass any one State, city, group of people, or individuals, but rather, to attempt to explore conscientiously and seriously problems and relationships that are representative of broader civil rights problems and issues. Now, in explaining how we fulfill our duty, I find it fitting to quote from a former chairman. That chairman said, "The United States Commission on Civil Rights has not deliberately sought controversy, but neither has it retreated from the unpopular. Calmly and dispassionately, it has gathered the facts, and then, after careful consideration, made its pronouncements. The history of the Commission has been that it has always been scrupulously honest and objective in all of its presentations, despite the emotion inherent in the areas in which we operate."

Let me now make a few observations about the purpose of this particular hearing on racial and ethnic tensions. The Commission embarked upon this project more than a year ago. We actually sent letters to the President, leadership in the House and the Senate, as well as to all of the governments in the 50 States, indicating that our local grass roots organizations, namely our State Advisory Committees, were repeatedly reporting that tensions were rising in practically every one of this nation's critical institutions: education, health, the workplace—you name it. We were finding stress, strain, and anxiety that was having a negative impact on race relations in this country, at the very hour when it was becoming more diverse, and depending on a more diverse work force than ever before in its history.

The response to that particular request was that we hold a summit at this time. Hopefully, we would have held it ahead of the difficulties in Watts and in California—Los Angeles in particular. Responses varied—Senator George J. Mitchell (D-Maine), the Majority Leader of the Senate, indicated that he would be willing to participate. We got a response from the White House indicating that they thought it was a good idea and wanted to know more about it. We got one response from a Governor saying he really did not need our assistance, and a response from another Governor saying it would be a good idea, but none of them really thought the problem was as serious as it has turned out to be. In the meantime, we had already met as a Commission and decided that racial tensions and poverty were the twins of disparity, and could produce exactly what has happened in L.A. Thus, we had already set this hearing and a series of additional hearings to take place across this country before the incident that occurred in California. My point is, we were ahead of the curve and recognized the potential for the kind of violence that has occurred in Los Angeles, Seattle, Atlanta, and other communities.

So this hearing, and those to follow, were designed to get ahead of this problem before it exploded in the way that it has. But now that it has, it appears that your testimony today and your involvement today will probably be more valuable, more insightful, and more to the point than it would have been had the incidents in L.A. not occurred. So we're pleased that you have come and we will move forthwith to get on with hearing your testimony. Let me proceed by saying that although securing information is the major purpose of any of the Commission's hearings, we are hopeful that this hearing, like others over the Commission's 35-year history, will

have very important collateral effects. Many times, the Commission's hearings have stimulated discussion and increased understanding of civil rights problems and have encouraged the correcting of injustices.

The record of this hearing will remain open for 30 days after the hearing has ended for the inclusion of materials sent to the Commission. If anyone wishes to submit information as part of the record, he or she may do so in accordance with the Commission's rules. At this point, I should explain that the Commission's procedures require the presence of Federal marshals at its hearings. Although the Commission and the marshals know that the majority of citizens would not wish to impede the orderly process of this hearing, the marshals have determined that the security measures they have instituted will help to provide an atmosphere of dignity and decorum in which our proceedings will be held.

Federal law protects all witnesses before this Commission. A Federal criminal statute, section 1505 of Title 18 of the United States Code, makes it a crime punishable by a fine of up to $5,000 and imprisonment of up to 5 years, or both, to interfere with a witness before this Commission.

This morning's session will recess for lunch at 1:15 p.m. and reconvene at 2:15 p.m.. We expect to recess at about 6:30 p.m. and reconvene tomorrow morning. Prior to my calling the hearing to order tomorrow at 8:45 a.m., the Commission will conduct its regular monthly meeting at 8:00 a.m. This meeting will also be open to the public. I will now call on Commissioner Berry to read the statement of the rules for the hearing.

COMMISSIONER BERRY. Thank you, Mr. Chairman. The observations which are about to be made on the Commission's rules constitute nothing more than brief summaries of significant provisions. The rules themselves should be consulted for a fuller understanding. Staff members will also be available to answer questions that arise during the course of the hearing. The hearing is open to all, and the public is invited and urged to attend.

All witnesses within the Commission's jurisdiction have been subpoenaed by the Commission. Everyone who testifies or submits data or evidence is entitled to obtain a copy of the transcript on payment of costs. In addition, within 60 days after the close of the hearing, a person may ask the Commission to correct errors in the transcript of the hearing of his or her testimony. Such requests will be granted only to make the transcript conform to testimony as presented at the hearing.

If the Commission determines that any witness' testimony tends to defame, degrade, or incriminate any person, that person, or his or her counsel, may submit written questions, which, in the discretion of the Commission, may be put to the witness. Such person also has a right to request that witnesses be subpoenaed on his or her behalf. Witnesses at Commission hearings are protected by Title 18, sections 1505, 1512, and 1513 of the U.S. Code, which make it a crime to threaten, intimidate, or injure witnesses on account of their attendance at government proceedings.

The Commission should immediately be informed of any allegations relating to possible intimidation of witnesses. I emphasize that we consider this to be a very serious matter, and we will do all in our power to protect witnesses who appear at the hearing. Copies of the rules which govern this hearing may be obtained from a member of the Commission staff. Persons who have been subpoenaed have already been given their copy.

Finally, I should point out that these rules were drafted with the intent of ensuring that Commission hearings be conducted in a fair and impartial manner. In many cases, the Commission has gone significantly beyond congressional requirements in providing safeguards for witnesses and other persons. We have done that in the belief that useful facts can be developed best in an atmosphere of calm and objectivity. We hope that such an atmosphere will prevail at this hearing. With respect to the conduct of persons in this hearing room, the Commission wants to make clear that all orders by the Chairman must be obeyed. Failure by any person to obey an order by Chairman Fletcher, or the Commissioner presiding in his absence, will result in the exclusion of the individual from this hearing room and criminal prosecution by the U.S. attorney when required. As previously noted, each session of this hearing over the next 2 days will be open to the public. Thank you for

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that, and Mr. Chairman, may I have 15 seconds to say something about the hearing?

CHAIRPERSON FLETCHER. Please.

COMMISSIONER BERRY. I only wanted to say that my colleague, Commissioner Redenbaugh, who is not here yet, was principally responsible for the concept and the proposal that we hold a series of hearings on racial and ethnic tensions in America. Although he is a conservative Republican and not of my political persuasion, I want to give him due credit—and he will be at these hearings—for making that suggestion, which was a timely one. Credit should also go to my colleagues, Commissioner Anderson and Commissioner Buckley, who served with me on a subcommittee chaired by Commissioner Redenbaugh, which developed the concept for the hearing that we held in Mount Pleasant, and for this whole series of hearings. He thought, and we agreed, that the subject was timely, and that no more urgent matter faced this country than the subject of racial tensions, which is why we have come here today. Thank you, Mr. Chairman.

CHAIRPERSON FLETCHER. Thank you, Commissioner Berry. Commissioner Redenbaugh would be surprised to find out that he's a Republican; he considers himself an Independent.

COMMISSIONER BERRY. Hah.

CHAIRPERSON FLETCHER. He has Republican ways about him, but he considers himself an Independent. Would any of the other members of the Commission care to make an opening remark before we get into the process? Commissioner Anderson?

COMMISSIONER ANDERSON. No, I think I am going to stick to the time schedule.

CHAIRPERSON FLETCHER. Commissioner Buckley?

COMMISSIONER BUCKLEY. No.

Overview Panel I

CHAIRPERSON FLETCHER. All right. Counsel, will you call our first panel?

MS. BOOKER. Will the first panel please come to the stage? Mr. Cose, Professor Feagin, Professor Hacker, Mr. Kropp, Professor Marable, Mr. Page.

MS. BOOKER. Mr. Chairman, members of the Commission, each member of the panel has been asked to prepare up to 10 minutes of opening remarks, after which, we will have questions from the Commissioners. I would like to ask each member of the panel, to introduce himself for the record, beginning with Mr. Cose.

MR. COSE. Yes, I am Ellis Cose, editor of the editorial page of the *New York Daily News*.

CHAIRPERSON FLETCHER. Thank you.

MR. FEAGIN. Yes, I am Professor Joe Feagin of the University of Florida. I am a graduate research professor of sociology at the University of Florida.

MR. HACKER. Andrew Hacker; I teach at Queens College in New York City.

MR. KROPP. Arthur Kropp; I am president of People for the American Way.

MR. MARABLE. I am Manning Marable; I am a professor of history and political science at the University of Colorado in Boulder.

CHAIRPERSON FLETCHER. Thank you.

MS. BOOKER. Mr. Cose, would you care to begin with your opening remarks?

Statement of Ellis Cose, Editorial Page Editor, *New York Daily News*

MR. COSE. As Chairman Fletcher noted, the recent rioting in Los Angeles put race and urban affairs back on America's front pages. Even before that uprising, however, it was very clear that something frightening was going on in our cities and among our young. In New York over the past few weeks we have seen a black kid hurl racial epithets and rocks at a white bicyclist; we have seen white kids try to whitewash black and Hispanic children; swastikas and anti-Jewish or anti-Asian graffiti have sprouted in numerous neighborhoods; portraits of Hitler appeared in teachers' mail boxes in a Manhattan school; and a 17-year-old Puerto Rican boy was stabbed and killed, apparently by a group of young black kids who did not care for his ethnicity.

Last year, New York City's police tallied 525 bias incidents. This year will probably set a record. During the first quarter of 1992, the count came to more than twice what it was for the same period last year, and New York is not an isolated case. New Jersey State police tabulated 976 bias offenses in 1991, compared with 824 in 1990. The largest category of such offenses was racial. Blacks were the target in 37 percent. It

was the fourth year in a row that reports of bias crimes increased in that State. Minnesota's department of public safety saw bias crimes increase 38 percent in 1991. Again, racial incidents made up the largest category, accounting for 333 of the 425 reports. In California, such offenses seem to be on the rise as well. A statewide commission recently concluded that hate crimes were at an all-time high.

What does this mean? For one thing, it means that we are paying more attention than ever to those who are victimized by bigots. Whether it means racial and ethnic tension is increasing, is difficult to say. Clearly, however, it indicates that such tension is being acted on a lot, and often in violent ways. The numbers also tell us that bias crimes are generally crimes of youth. In New Jersey, for instance, officials reported that hate crime perpetrators were most likely to be between the ages of 7 and 18. In Minnesota, those between the ages of 11 and 20 accounted for 65 percent of offenders.

America's young are troubled in many ways. Hate crime is merely one manifestation of that.

The Children's Defense Fund notes that in the 10-24 age group, homicide and suicide rates have more than doubled since 1960. The firearms homicide rate for black males, 15-19, more than doubled between 1984 and 1988. Simply put, this is a very dangerous time to be young or to be around young people, for violence is epidemic among them. When that violence is combined with animosity towards other races, or towards homosexuals or immigrants, the results can be devastating.

Some of that tension that ends up expressing itself racially is rooted in economics. Earlier this week, New York Police Commissioner Lee Brown appeared before the Democratic Platform Committee. He said, "The fact that one percent of America is richer than everybody else combined is a police problem waiting to happen. Unattended differences of this magnitude," he concluded, "can turn police forces into occupation armies." In addition, however, many youths, minority and white alike, feel they are perfectly justified in harboring resentment toward other races. Many minority young people, for instance, feel wronged by society, and often with good reason. A series of studies by the Urban Institute confirms that young blacks and young Hispanics are significantly more likely than similarly qualified whites to encounter discrimination in applying for entry level jobs.

Minorities, both young and old, also tend to feel that the justice system doesn't give them a fair shake. Take your pick, all the surveys say essentially the same thing. A *Washington Post*/ABC News poll conducted shortly after the [first] Rodney King verdict found that 89 percent of blacks feel the justice system treats them less fairly than whites. At the same time, however, an apparently increasing number of whites also feel discriminated against, and many blame minorities. A survey by People for the American Way found that nearly 50 percent of whites between the ages of 15 and 24 believe they face tougher job prospects than minorities. Many also blame minorities and immigrants for America's welfare crisis and for street crime.

Immigration has historically been a source of tension. The first decade of this century saw nearly 9 million immigrants come to this country. Those numbers were higher than any the United States had seen since the government first started tracking immigration in 1820, and they caused such consternation that politicians launched a crusade to drive the numbers down. Once again, immigration has risen to unprecedented levels. In 1989, for the first time since the turn of the century, the U.S. welcomed more than 1 million immigrants in a single year. In 1990 we welcomed over 1.5 million, more than any year in recorded U.S. history. Granted, the United States is a much bigger place than it was in the early 1900s, but 1.5 million is still a lot of people. The point is that we are dealing with something much larger than simply a rise in overt expressions of racial and ethnic tension. We are dealing with some sweeping changes and some deep problems in our society, and especially among our young, and with a nation bubbling over with resentments.

Following the Los Angeles riots, Senator Daniel Patrick Moynihan (D-New York) observed that much of the country has been in the state of denial since the 1960s. In a speech on the Senate floor, he declared, "[we] are past that period of denial. We are also hampered with a problem far worse today than it was a generation ago. No nearer any true understanding." That we have an immense problem is self-evident. The origins

and many aspects of it go back much further than the 1960s, and I am not at all sure that the denial has ended.

In my new book, *A Nation of Strangers*, I write, "Optimistic forecast notwithstanding, racial animosity has proven to be an enduring American phenomenon, and an inevitable and invaluable political tool. Rather than a fire that flames up and burns itself out, it has more resembled a virus that at times lies dormant, but can suddenly erupt with vengeance particularly during periods of stress."

Problems that are in many respects as old as America itself are not going to vanish in a period of weeks or even years. While some racial violence can be eliminated through police work, particularly through community policing, the cops cannot make it go away. Nor can it be legislated out of existence. Two years ago, New Jersey Governor Jim Florio signed the Ethnic Intimidation Act, one of the toughest antibias laws in the Nation. Yet racial violence there continues to rise. This does not mean that we can do nothing; tolerance training, alienation reduction, opportunity creation, especially for the young, are all working pursuits even if they are, at best, only partial solutions. But more than anything, perhaps, we need our political leadership to begin addressing this country's racial problems instead of exploiting them simply for political gain. We need a leadership that does not live in a state of denial and self-delusion, but can talk sense about race, economics, and the plight of our youth. If what we have been hearing the last few weeks is any indication, that does not seem to be in the cards, since our political leadership these days doesn't seem to be talking sense about much of anything, from the Great Society to Murphy Brown.

MS. BOOKER. Professor Feagin?

Statement of Joe Feagin, Professor of Sociology, University of Florida

MR. FEAGIN. Thank you. Dr. Fletcher and Commissioners, thank you for inviting me today to address you on this subject.

Among the causes of racial tensions in this country, I think, white racism is the most fundamental, if the least discussed. By white racism, I mean the entrenched prejudices and stereotypes of white Americans, the subtle and blatant acts of discrimination by white Americans, and the system of oppression created by 370 years of white prejudice and discrimination.

The jury verdict in the King case and subsequent urban rebellions have finally brought issues of race and racial relations back into the mass media and public policy discussions, but they have not yet brought white racism to the center of that national attention.

Since May 1, the news media treatment of race relations in this country has been rather strange and distorted. Yesterday I searched for the term "white racism" in Mead Data Central's huge Nexus database of 160 newspapers and magazines in this country. Not one of the thousands of articles in that database published in the last 4 months has a headline with white racism in the title. Not one. My May 18, 1992, issue of *Newsweek*, for example, has two front cover headlines: one, "Rethinking Race and Crime in America"; the other, "Beyond Black and White." We see the word "race" here, but not the word "white racism." Nowhere in the extensive articles on racial relations within the magazine is serious attention given to white prejudice and white discrimination. Other magazines have similar covers. *Time's* cover says, "Why Race Still Divides America and Its People." Again, the title does not mention white racism, nor is it made clear that the actions of white Americans, not some vague agent called race, have played the major role in perpetuating the black-white division in America.

Many articles in the mass media recently have targeted black Americans, asking how they, the middle class, the rioters, the residents, black politicians, think, feel and react. White leaders are reported speaking out for the need for black morality and black hope and sometimes of community rebuilding.

What is missing is a single article on the role of white racism in creating the foundation for racial conflict in the United States of America. What is missing, not only in the media but in the Nation, is white Americans—especially middle-class whites and white leaders in this country—taking responsibility for the widespread prejudice and discrimination that generates rage and protest among black Americans.

It was white Americans who, after all, created the genocide against Native Americans, the

exploitation of Asian and Latino Americans, and the slavery and segregation of African Americans. It is white Americans who today are still responsible for most continuing discrimination against African Americans and other nonwhite Americans.

We white Americans created the artificial concept of race in the first place to justify our genocide, exploitation, and discrimination, and we now use such vague concepts as "race divides the country," as a way of describing conditions in some vague, impersonal way. But the conditions of racial discrimination have creators, and the most important creators in the United States of America today are white Americans.

As a nation we have been lied to in recent years by a gaggle of right wing analysts, who have told us that the primary cause of persisting racial tensions and problems in this country is not white racism, but instead something else—the black underclass or black families or black dependency on welfare, etc. These apologists have blamed the underclass for its immorality and the black middle class for not taking responsibility for the underclass. A favorite phrase is "the declining significance of race." We actually have a book by that title. A denial of white racism and a blaming of the black victims of racism has become intellectually fashionable in the last decade.

But blaming the victim makes no sense if one takes the time to do field research on everyday discrimination as it is faced in the trenches by people of color in this country. I have just completed two major research projects in the last 4 years, one involving interviews with 210 middle-class black Americans in 16 cities across the country, and another involving indepth interviews with 138 black business people in a major southeastern city. Both projects found that discrimination by whites is still a major problem in this country in public accommodations, in employment, in housing, in business, and in schooling, and that much of that discrimination suffered by African Americans is inflicted by middle-class white Americans. Not the so-called hard hats, but middle-class white Americans are the major villains in American racism.

The reality of discrimination today is very different from the commonplace portrait of a declining significance of race. There is anger and rage over white racism in every black income group, from millionaires to day laborers.

The first black person I interviewed in a 1988-1992 research project was the owner of a successful contracting firm in the Southwest. Well-educated and middle class, she describes numerous examples of discrimination in trying to get her business underway and keep it going over the last 5 or 6 years. In her opening words, in the very first interview we conducted, she captured what it is like being a black person in white America doing business these days, and this is a quote from her interview, "One step from suicide. What I am saying is the psychological warfare games that we have to play everyday to just survive. We have to be one way in our communities and one way in the workplace or in the business sector; we can never be ourselves all around. I think that may be a given for all people, but for us particularly; it's really a mental health problem. It's a wonder we haven't all gone out and killed somebody or killed ourselves."

When I interviewed a retired black psychologist in the late 1980s—and this man has been known for 50 years as a moderate—he nearly shouted his answer to a question asking, on a scale from 1 to 10 how angry he gets at whites today. This is a quote: "Ten. I think that there are many blacks whose anger is at that level. Mine has had time to grow over the years more and more, and more and more, until now sometimes I feel that my grasp on handling myself is tenuous. I think that now I would strike out to the point of killing a white discriminator and not think anything about it."

Now both of these people are moderate, middle-class African Americans, one 45 years old, the other 74 years old. This barely repressed rage is not limited to a few of the middle-class respondents whom we interviewed. Anger and rage are common in the interviews. White racism has created great rage in black America and the recent riots are only the beginning of many more, if that white racism is not confronted and dealt with. The fundamental cause of U.S. racial tensions is white racism, and it is time for white Americans to take responsibility to eradicate this cancer from our society.

What is to be done? How do we solve our problems? Many of the solutions are obvious and

easy to delineate, but much harder to develop the political will to implement. There is much that can be done to rid the United States of white racism and its consequences. First, the consequences of long-term racial discrimination, such as poor jobs and poor housing, can be met with a multibillion dollar Marshall Plan for the cities that has been proposed many times. Government social programs work, as Social Security clearly shows, if there is the political will to fund them well and over a long period of time. Guaranteeing a decent paying job for every American who wants to work and the training for such a job will, over time, largely rid this nation of much of the potential for riots and street crime. But we must go beyond government programs for the black victims of white racism to focus on white racism itself.

We must put some real teeth into our civil rights laws so that white discriminators, who today get off with nothing, will suffer greatly for their discrimination crimes. We must create a cradle-to-grave educational program for all Americans, but especially white Americans, that teaches the real racial history of the United States, including genocide, segregation, and widespread present-day discrimination. We must create many television programs in prime time to teach white Americans about our sordid racial history, about our own prejudices and acts of discrimination, and about strategies for eliminating that racism.

Most white Americans still deny that they are racists and that there is much serious racism in America. We must educate white Americans to see racism in their own attitudes and actions and to recognize that racism in others. Then we must somehow develop a large group of white antiracists who fight aggressively against the racism they encounter in their daily lives. It's remarkable in this country. We have a term for the extreme racists, but we do not have a term in this country for the antiracists on the other end of the spectrum. It is the rare white American today who will speak up against another white person who tells a racist joke or uses a racist epithet or who will challenge a white boss or white neighbor who discriminates. Until we whites deal with our own racist inclinations and speak out against white racism, prejudices, and actions everywhere we see it, there is no real hope of eradicating the racist foundation of the white-black tensions and conflict in the United States of America.

CHAIRPERSON FLETCHER. Thank you very much.

MS. BOOKER. Professor Hacker.

Statement of Andrew Hacker, Professor of Political Science, Queens College, City University of New York

MR. HACKER. Thank you. Mr. Chairman, members of the Commission, I am going to use my 10 minutes very informally this morning, simply to give you a list, if you like, of a professor's seminar topics which you can then conduct after I've gone.

The first is the title we're dealing with today, racial and ethnic tensions. Now, in fact, there is a very real profound difference between race and ethnicity in American society. Race goes deeper, is more enduring, more disastrous. The hearings you're going to be holding today and tomorrow will have representatives from Latino, Arab, Asian, and black groups. Yes, they all come under the heading of ethnicity and race.

If this Commission had been holding a hearing 100 years ago, in 1892, you would have had representatives from Irish groups, Eastern European, Austrian, Hungarian, and other ethnic groups who talked of the discrimination and the tensions they faced, and also blacks. The other groups would have disappeared into the mainstream, but black groups and black spokesmen would be present here, 100 years ago and will perhaps even be present 100 years from now.

Now there is a difference that has to be emphasized—this is Sociology 101—between immigrants and former slaves. I think what we really have to look at is: What is there about the legacy of slavery that persists into the present? Now it's not that people of African ancestry, people whose forebears were slaves, continue to live in slave ways, but rather it is the memory in the minds of whites today that black people were once slaves, once thought suited to be chattels, who could be bought, sold, punished like livestock. As long as that memory remains alive in white minds, we're going to continue to have that stigma attached to a large segment of the population, which immigrants will never have to suffer.

Second, I think we ought to be willing to talk candidly about certain tendencies among our two major racial groups. We're not talking about all white and all black people, but on the other hand, there are certain patterns that can be discerned. For example, I really feel it's profitable to face the fact that there are two cultures. I think when Professor Feagin spoke of the businesswoman he had interviewed who said she had to live one life at work, one life when she was at home, he was reflecting just that. There are two sides, two demeanors. It could be called, in over-simple terms, expressive versus repressive. I would even quote my colleague, Leonard Jeffries at City University of New York—I know I am not supposed to quote him—who speaks of sun people and ice people. He's on to something there, and we ought to look at it and ask what's going on here.

But this comes out, not just simply in the way you live, not just in the T-shirts you wear but for example, in black-white disparities on the Scholastic Aptitude Test and other tests which really determine who'll get into colleges and universities, who'll get what kinds of employment. You know there are disparities in scores, which, by the way, are independent of income. In other words, high-income black people still score below their white counterparts. It's not because of the content of the tests, it's not because they ask white questions in a sense of "who was Jane Austen," or figures in, let's say, European literature. You could have all sorts of questions on Zora Neale Hurston, August Wilson, and Toni Morrison, but the disparities in scores would still be there. I suggest it's in the multiple choice form, this kind of high-tech format, which is discriminatory, given the two cultures that we have. In other words, whites—and indeed, we're now discovering Asians—do better on this high-tech format than do people of African ancestry in this country. This is not anything genetic, but as we indicated, because of two cultural styles, two intellectual styles which at this point are rather far apart.

This ties in also with the whole topic of segregation. Here one ought to face segregation as voluntary, segregation as imposed. Quite clearly, as we say, people like to live where they are comfortable, with other people with whom they are comfortable. We know this. But in addition, much of segregation, particularly residential segregation, is imposed from the outside on black Americans. Sociologically, we know in terms of endless studies that black Americans have much less choice as to where to live. You can end up wanting to live in what's essentially a black community, but you still want the choice as to where you could go. In this sense, we do know that recent immigrants, although I won't say they are welcomed, have much more opportunity to choose where they want to live. If they want to live in what we might call "white neighborhoods," they have much less difficulty than black Americans, who have been here for well over 300 years.

We can see this just in the perimeter of Washington, D.C. In Prince Georges County, which is very much a middle-class suburb, you go through endless streets and you discover the householders are all black. Are they there voluntarily? Would they like a wider choice as to where to go? Many of them are high civil servants, Mr. Chairman. This is something I think we ought to understand, ought to find out because we want freedom, freedom of choice, and at the same time we want people to live where they want to live.

Finally, I'll simply take a leaf from what Professor Feagin just said and make one or two remarks about what underlies the white racism he referred to. I suggest that this Commission might focus on whites as a racial group—not Italians, not Irish, not Poles, not Jews, but all 200 million whites as a racial group. We have endless studies on blacks as a racial group, but hardly a book on the dominant racial group in this country. You shouldn't hide behind your Irishness. Let's get the whiteness to the surface. Here I would say, in a harsh, highly competitive society, whiteness brings status, security, superiority—not just in economic terms, not just in the statistics the census turns out on median incomes, but rather a feeling that no matter what can happen to you in America, if you're still white, well—you may not get to the top, you can fall a bit, but you can fall only just so far. I am not the first person to remark that we whites have never invented a word like "nigger" to apply to those of us who might be at the bottom. So I would suggest, Mr. Chairman and members of the Commission, take a leaf from Oscar

Wilde—unfortunately a white writer, but a bit at the margin, to paraphrase Wilde, "we should not minimize the importance of being white."

CHAIRPERSON FLETCHER. Thank you. Mr. Kropp.

Statement of Arthur Kropp, President, People For the American Way

MR. KROPP. Thank you. Mr. Chairman, Commissioners, thank you for inviting me here today. With your permission, I would like to submit, for the record, written testimony and be a little informal also. It's my hope that after these hearings we will avoid the temptation to let anger carry us away, that we do not get bogged down in pointing blame, which our experience proves will only further divide this nation, but will look for opportunity, for a way to get out of this mess. While surely America has made great progress in the legal arena in the area of civil rights, and there is more opportunity for minorities than there was, clearly, in the area of interpersonal relationships and understanding one another, we have failed. To illustrate, I would like to read the following quote: "The destruction and the bitterness of racial disorder, and the harsh polemics of black revolt and white repression have been seen and heard before in this country. It is time now to end the destruction and the violence, not only in the streets of the ghetto, but in the lives of people."

Of course, this wasn't written in the last week or two, but a quarter of a century ago. It is a paragraph from the Kerner Commission. People for the American Way tries to be a part of the civil rights leadership, a member of the executive committee of the Leadership Conference on Civil Rights, and like the rest of the leadership, we have been very frustrated over the years at our inability not only to progress in the area of civil rights, but to stem the damage. Even more frustrating is the fact that those who seek to divide this nation, whether it's through their political strategies or their congressional strategies, seem to have a firmer grip on the hearts and the minds of the American public.

To learn more about that, People for the American Way decided to conduct research into the attitudes of Americans on race. You might call it cynical, but we made another decision to focus on the young generation. Specifically, we surveyed—and it was the first comprehensive survey of the post-civil rights generation—15 to 24 year olds. What we discovered several months ago we called frightening. I wouldn't hesitate to say that the disturbing findings in that survey would only be worse if we conducted it today. Briefly, let me tell you what we found. First, young people, no matter what their race or ethnicity, have lost hope. This is a generation full of fear. It is the first generation in modern polling that believes America's best days are behind them. I would suggest that is our failure.

Second, we found that the economic difficulties in this country are playing a part in the tensions that exist between racial and ethnic groups. There is no question about that. And given that fear, and the economic pressures, we found that young people of all racial and ethnic groups fall into traps. We have found that white youngsters, African American youngsters, Asians, and Hispanics are beginning to build walls, viewing each other hostilely, thinking the worst of one another, really having little interest in how each camp lives their lives and views life. We have a quote on the cover of our report which was taken from a young African American who participated in a one-on-one interview with Peter Hart Research Associates, Inc., who conducted the research for us. I will also give each of you a copy of this report. It says, "Most whites do not feel comfortable interacting with blacks because they don't know anything about us. Most blacks don't know anything about whites and don't really care to learn."

We also found a generation willing to accept the worst in terms of stereotyping. They also do not have the opportunity to confront those stereotypes. In fact, through the course of our research, which was very difficult in terms of getting kids to talk about these issues, we found that the biggest stumbling block is they never did talk about these issues. They never had to confront these feelings that are deep down, but are, of course, guiding their development. In fact, I've talked to several reporters just recently who were astounded, and, in fact, one staff member whose child, after the L.A. situation, went into class and there were children who wanted to talk about what happened in Los Angeles, and teachers responded, "We have too many things on our desks right now, let's not deal with that."

These children aren't having the opportunity to even confront or to discuss these concerns.

We also found a generation that views issues through totally different lenses. For instance, is it any wonder that quota politics plays in the white community when the majority of white youngsters believe that the discriminated segment of society in America today is whites. There is a perception gap in America, and I will say that we are doing nothing about it.

All of the effort and the debate that has taken place, for instance since Los Angeles, is focused, out of necessity, on economics and on education reform. These are all important issues, but no one is talking about the way we live with one another, in terms of how we perceive one another, in terms of how we appreciate each other—the way we are forced to exist. We are also falling back into the trap where we ghettoize the issue of civil rights. It shouldn't only be this Commission and civil rights leaders who care about these issues. This is not a civil rights community concern; this is an American concern.

To that end we have developed a program, and it is only a start, to try to expand the leadership on these issues. Where is the business community? Where is the academic community? Where is the media in terms of dealing with how we interact with one another?

We recently completed a study called "Hate in the Ivory Tower," where we went to universities and colleges across the country representing over a million students. We know that we have read that there have been a lot of campus incidents, but I come here to tell you that most colleges and universities have no program, and in fact, the response from most administrators from institutes of higher learning was, "We don't have a problem here, so isn't that nice."

Those that did have programs admitted that they weren't as effective as they should be. On the other hand, there are some colleges and universities that are dealing with it very effectively. Do we know who they are? Do we put those programs out as a model for other colleges and universities? No. The priority isn't there.

The business community, dealing with a diverse job market, is by and large avoiding the issue. There are some corporations that have been particularly concerned about problems in their own workplace and they've begun to develop programs, and there are some that are successful. But do we know about it? Are they put out as a model? Are there partnerships? Are there discussions with other corporate leaders about this situation and what can be done? No, it's not a priority.

The media—we know that the media probably next to parental influence has the greatest influence on our young people and on this nation, but even the media does not deal with these issues in a responsible way. The images that are getting back to our children generally are negative images, they're played over and over and over again. Even when it turns positive, as I suspect it will in the next few months, we know that that window will close again and everyone will revert back to old form.

The point, as my time expires, is that we only go halfway if we focus on the economic issues, on the reforms that are necessary, and ignore the way we live with one another, the way we proceed with one another. Our young people, in particular, stand at a crossroads. They certainly have some of the negatives associated with bigotry, but they're not all the way there yet. Unless we do something to begin to counteract what's already inside them, we will lose yet another generation and another opportunity. Thank you very much.

CHAIRPERSON FLETCHER. Thank you very much.

MS. BOOKER. Professor Marable.

Statement of Manning Marable, Professor of Political Science, History and Sociology, Center for the Study of Ethnicity and Race in America, University of Colorado at Boulder

MR. MARABLE. Thank you. I'd like to thank the Commission for holding this timely hearing on what I believe to be the most important social and political issue confronting the domestic agenda for the 21st century. My presentation, very briefly, is entitled, "Race, Violence and Social Conflict: Past, Present and Future." As a political scientist and historian, I would like to provide a very brief overview for looking at the issue of violence and its relationship to race.

Nearly a generation ago, black nationalist militant H. Rap Brown, then the chairman of the Student Nonviolent Coordinating Committee

declared, "Violence is as American as cherry pie." The recent racial unrest in Los Angeles once again illustrates the close connection between racial prejudice, social conflict, and violence. A brief historical and contemporary overview provides an illustration of how violence and policies of coercion have been central to the evolution and dynamics of race relations.

Essential to the definition of racism throughout American history has been the systematic discrimination and exploitation of any people, whether in economics, political affairs, or throughout society generally, as an inferior and permanently subordinate race. There was, and still remains, a critical distinction between any social group categorized or defined in racial, rather than ethnic terms, and I think this is crucial for the Commission to consider.

Ethnicity, that is, the patterns of language, religious rituals, music and myths, family and community organization, is essentially generated or produced by a group itself. Race is almost always an identity imposed on one group by another for the purpose of its domination. In other words, the very definition of race presumes, to a considerable degree, the presence of force or violence within a society. The entire history of the African American experience, from the denial of full voting and legal rights to the pattern of racially stratified labor markets in which nonwhites receive significantly less money for the same work performed by whites, is permeated by either individual or institutionalized violence.

During the period of slavery from 1619 until 1865, few whites ever questioned whether blacks were not inherently inferior to whites. Violence against blacks was endemic to the Jim Crow segregated South. From 1884 through 1917, more than 3,600 African Americans were lynched across the South. The terror was a deliberate part of a social order designed to maintain the permanent inferiority of African Americans. The violence also preserved whites as a group with a privileged status, giving them access to higher wages, better schools and homes than any African Americans could ever hope to attain. When World War I broke out, African Americans overwhelmingly supported the popular effort to defeat Germany. They even purchased over $250 million worth of war bonds hoping that their patriotism would shield them from racist violence and permit them to secure greater democratic rights. Yet immediately following the conflict, in the Red Summer of 1919, over 70 blacks were lynched, and 11 were burned alive.

When African Americans mobilized the nonviolent demonstrations to overthrow the Jim Crow system a generation ago, they were again confronted by white violence. Black churches and homes were bombed, civil rights leaders and community organizers by the thousands were beaten and arrested, and several key leaders were assassinated, most prominently Martin Luther King, Jr., and Medgar Evers. The eruption of inner-city violence in the 1960s was the first significant demonstration of mass illegal force by thousands of African Americans aimed against the symbols of white civil authority and private property. The urban riots of 1964 and 1972 led to 250 deaths, 10,000 serious injuries, and 60,000 arrests. In Detroit's 1967 civil unrest, 43 residents were killed, about 2,000 were injured, and over 2,700 white-owned businesses were torched and vandalized with half completely gutted by fire.

Although the media described these acts of collective violence as riots, this obscures both the political element which motivated thousands of young African Americans into the streets, as well as the degree of concurrence with these actions by many blacks who stood along the sidelines. Many people who committed arson, theft, or assaults did so not because they were lawbreakers or criminals, but acted in the belief that the established civil authorities and the standard rules of society were structured in such a way to preserve white power and domination over black lives. Thus, blacks acted in violence against the system and its symbols, which in turn represented violence and inequality in their daily lives. The nexus of violence in racism has become even more complex in the post-civil rights era of the 1980s and 1990s. The older forms of racial intimidation still exist, despite changes in laws and white public opinion. For example, the American Council on Education states that in 1989, incidents involving racist violence and harassment of minorities were reported at 174 college campuses. Racial violence and acts of racial intimidation ranged from the arson of a black fraternity house at the

University of Mississippi, to the harassment of a black cadet at the Citadel in South Carolina by white cadets wearing Ku Klux Klan outfits, and a slave auction at the University of Wisconsin by white students donning blackface. But these actions only reflect what is, in my judgment, a deeper antipathy toward African Americans and their place in formerly all-white institutions in both private and public life. For example, 5 years ago a *Newsweek* poll of university students indicated that only one in six endorsed additional efforts "to hire more minority faculty." Fifty-three percent affirmed that "the decreased number of black students at their campuses had not negatively affected the quality of their educational experience."

In electoral politics racial polarization among whites is best represented by the surprising strength of former Nazi and Ku Klux Klansman David Duke, who succeeded capturing a majority of white votes in the 1990 senatorial and the 1991 gubernatorial campaigns in Louisiana. There is much evidence that veiled racist appeals of candidates such as Duke can mobilize latent hostility among key sectors of the white electorate, particularly among those white social classes who are in direct competition for employment with racial minorities. Polls indicated, for example, that 63 percent of all Louisiana white voters with family incomes between $15,000 and $30,000 annually endorsed Duke last year, while less than one-third of all whites earning more than $75,000 annually supported the former Klansman.

A firm belief in the permanent racial inferiority of African Americans and other minorities strongly influences social practices and behavior regardless of official regulations and policies requiring equality and fairness. If one searches for factors which may explain the violence in the Rodney King incident, we might begin with the racial hostility demonstrated among many members of the Los Angeles Police Department toward minorities.

Last year, a public commission reviewing the Los Angeles Police Department reported that it found over 700 racist, sexist, and homophobic comments typed into the department's car communication system over the previous 18 months. Typical of such statements were comments regarding the use of force to subdue a black suspect, "sounds like monkey slapping time." "I would love to drive down Slauson"—that's a street in a black community—"with a flame thrower, we would have a barbecue." Such sentiments cannot help but influence the approach of many law enforcement officers toward minority communities during periods of social conflict, increasing the probability of violence. However, most African Americans no longer experience violence in such overt forms, but usually in the process of their daily normal lives—high rates of unemployment, the realization of inferior schools, the unchecked proliferation of illegal drug traffic within black communities, the growth of homelessness and social despair, are all directly or indirectly perceived by many African Americans as the social product or the consequences of institutional racial violence.

Although civil rights leaders and black elected officials are committed to legal forms of democratic protest, and oppose acts of disruption against civil authority or vandalism of property, the Los Angeles uprising, in my opinion, may easily trigger a series of massive urban conflagrations over the next decade and into the next century. Young men who have been socialized in a world of urban street gangs, drugs, and black-on-black murder feel within them a nearly ungovernable rage against all forms of power and privilege. That rage may express itself in collective acts of violence and selective terror similar to those identified with the Irish Republican Army in the United Kingdom, or by several radical Palestinian organizations. If people feel that all avenues of realistic, effective change within the established order are blocked, they may move to a new level of violence which could possibly target even elected officials, executives, and the police. The next stage of racial violence could easily become far more sophisticated. In the end, all forms of terror are counterproductive and destructive to those who initiate violence, but that historical fact does not negate the possibility that that may happen in our country in the near future.

To conclude, the only way to end the violence and the racial conflict is to challenge institutions, or policies, or educational processes, and values which perpetuate the logic of inequality. I want to second what several members of the panel have said: violence is a symptom of a more

profound social dynamic, the continued classification and regimentation of divergent ethnic and cultural groupings into hierarchical racial divisions. In other words, to end racial violence and the hatred which it produces, we must deconstruct the very idea of race in our society. As long as white Americans are locked into the perception that the world is divided into the distorted structures of race, we only help to perpetuate the violence which is racism's chief social product. To paraphrase the reggae artist Bob Marley, "until the color of a man's skin is of no greater significance than the color of his eyes, there'll be war."

MS. BOOKER. Thank you, Professor Marable. Mr. Page.

Statement of Clarence Page, Pulitzer Prize-Winning Columnist, *Chicago Tribune*

MR. PAGE. Thank you very much for inviting me this morning. I will try to keep my remarks informal and brief. I have no prepared statement. Let me say that listening to the testimony this morning, most of which I thoroughly agree with, I detect a profound sense of what Yogi Berra called "deja vu all over again." That sense of "deja vu all over again" comes because so much of what we're talking about I've heard before, in the 1960s, which was the last time we seemed to care about these issues.

You gentlemen are absolutely right, I have heard the L.A. riots referred to as a wakeup call for America. I prefer to think that the riots of the 1960s were the wakeup call—we've been hitting the snooze button for 25 years. We have been hitting it through denial. We've heard the word denial used in different ways this morning, but it is absolutely true. Denial of white racism, denial of the roots of racism, discrimination, and tension is to deny guilt. Shelby Steele, a writing colleague of mine, with whom I have had congenial intellectual disagreements, made a very profound statement when he said, "this generation of young people is the most guilt-free generation America has ever seen. Guilt-free among blacks as well as whites, because they feel no sense of historical guilt." Arthur Kropp is absolutely right when he says that we have steered away from even talking about it. I have often said that race talk is like sex talk in America; it's something we all know is there, we all know we need to do it, we don't want to do it in front of the children, and we don't want to do it in mixed company. We're embarrassed to do it.

Perhaps you all felt defensive even holding these hearings and announcing them before the L.A. riots came along because it just wasn't fashionable to be talking about. Why do you want to talk about that? Aren't we past all of that? Race has declined in significance; class is all we need to care about. We do need to care about class, and I am going to get to that, but the denial is so important, because denial leads to resentment, which leads to David Duke. Denial leads to the idea of well, I am not guilty; why are you punishing me; why do you impose remedies that call for me to do something? I don't think remedies should be oneway. I am going to talk about what black folks need to do, too.

First of all, let's get back to Andrew Hacker's excellent book, *Two Nations*, based on the Kerner Commission's famous statement about being two nations. There has been some discussion about it. There ought to be more discussion. We're more than two nations now. The L.A. riots revealed several resentments going different ways, and these are realities that we've seen on the streets of America, in Chicago and New York, Washington, L.A., other cities. I will never forget the sight of the Korean grocers on the rooftop holding rifles to guard themselves against looters.

I was talking yesterday to Ronald Takaki of Berkeley, author of the excellent book, *Strangers from a Different Shore*—an excellent book if anyone wants to study Asian American history in this country. Ron said, "You know, people like me," people like Ron—experts in this sort of area "are starting to rethink the two nations idea, the two nations model." Now they're looking at a model, but more like colonial Indonesia or the Philippines. When colonial masters brought in Chinese merchants, they formed a new merchant class and at the time that the colonials moved out, the native population turned against this merchant class. This is what we're seeing in L.A., and what we've seen the west side of Chicago—resentment of Arab merchants who replaced the European merchants, who fled in the riots in the 1960s—what we've seen in Brooklyn, New York, and various other places. These are all areas that need study.

Hacker is certainly right to say that we need to study whites. We also need to study the new black middle class. My friends in the black conservative movement have spoken of how we spend a lot of time studying failure in this country, and that's true, we spend a lot of time studying poverty. We know what creates poverty. You know, poverty is a natural condition. What creates wealth? We haven't talked much about that. We especially haven't talked about it enough in the black community in my view.

Manning Marable wrote an excellent book called *How Capitalism Underdeveloped Black America*. I find it to be an excellent book. I don't want to agree with it, because I am a capitalist. I believe in capitalism; I believe in the magic of the market. However, he reports too many facts that are indisputable. I am a person who wants to reach consensus. Arthur Kropp is absolutely right. I think we all want to reach some sort of consensus, talk about remedies, not just a problem. What I want to talk about is the fact that capitalism works, but I want to help it work for everybody. Spike Lee raised the issue in *Do the Right Thing*, why are these Korean merchants able to come over here and in 2 years turn an abandoned building into a thriving fresh produce market. Ron Takaki points out that Korean merchants in New York, most of them have college degrees. In fact, back in Korea, being a merchant is not really beautiful and a valued profession. Many of these Koreans are highly technically skilled, highly educated in fields where they can't get jobs, partly because of racial discrimination, and partly because of language barriers.

We need to look more closely at these success models. We need to look at the success models of black entrepreneurs. One thing that dismayed me this time about the new resentments in the L.A. riots was how stores that had signs that said "black owned" got burned too. That did not happen in Watts, or at least not on a widely reported basis. It's also significant to note, there were fewer black-owned businesses in 1965 in Watts. We do have a new black middle class. It is not true to say we have not progressed. We obviously have progressed, and these mixed signals, they're very possibly because of the image.

You know, the Kerner Commission talks about the media. This was back when it would have been laughable for Clarence Page to be an editorial board member of the *Chicago Tribune;* for Ellis Cose to be editorial page editor of the *New York Daily News*. We've come a long way in many professions; that is obvious. But the media now have turned to two archetypes; we either have Willie Horton or we have Bill Cosby. What about the vast diversity of America in between?

Again here, you know, we put on the positive images, and we say, oh, well, we've done our job. We're doing great, we have progressed. We send signals to our young people that, on the one hand, say "everything is fine and sanguine," and at the same time, as Kropp said, they have no hope. We need to study white success models; we need to study black and Asian success models; we also need to study our kids.

The *Detroit News* recently did an excellent series reanalyzing black priorities. Significantly, it was reported by black reporters, photographed by black photographers, and completed and managed by black editors. The survey was done by black opinion pollsters. This, too, couldn't have been done 25 years ago, and itself shows progress. But at the same time they went out and looked at black views and found that a majority of black Americans that they polled said that they did not think the civil rights leadership right now had its priorities in the same order of the problems that are being experienced on the streets of our cities. In other words, civil rights law enforcement was not as important as some of the economic problems I am talking about, as well as some of the day-to-day racism that we've been talking about—the problems of education, building the basic building blocks of development, redeveloping black America.

I think we need to study these kids. A young friend of mine was saying the other day, "You know, Langston Hughes was talking about what happens to a dream deferred? We need to ask what happens when you have no dreams." I am very worried. I thought after we had removed the ever-present bomb threat that young people would have great reason for optimism and hope, and yet last weekend at the University of Maryland, Bill Cosby told a graduating class, "You all ought to demand a refund. There are no jobs out there." I think he was reflecting the views of young people I've talked to at graduation ceremonies these days.

Ellis's book is also excellent. I'll plug his book too this morning. One message I got from his book is the important message of ethnic succession in this country. It's true, resentment of immigrants is nothing new, and the anecdotes abound. What I've seen historically is, of course, that racial tension does tend to follow economic tensions; in hard times like these, very often, race becomes a scapegoat. We need to, again, talk about how much economics plays into the ability of racism to be an oppressive force. As far as the racial violence is concerned out in L.A., I saw at least three riots—I am sure we're going to have commissions; we certainly should study this riot to compare it to the riots of the 1960s and the commissions of the 1960s and some people get confused about this.

First of all, there certainly was a reaction to police brutality, which tends to be the cause behind over 90 percent of the modern urban riots we've seen. The significance was that there wasn't an immediate reaction though. The people waited 14 months for justice to work, and when they detected that justice did not work, then there was the reaction. So we of the media should be hesitant when we talk about senseless violence. I think Manning Marable was making a very important point here about the history of violence and how we have to look at it in context.

Secondly, there was this political class war, as I call it, of resentment between the "haves" and the "have nots." Let's face it, let's look back at the films of this rioting. There were multicultural looters; there were multicultural victims, black, Hispanic, Mexican, Asian, on both sides, being victimized, being stolen from, being burned out, and doing the stealing and the burning. There was a statement here of anarchy in the streets. This is the modern urban nightmare, ladies and gentlemen, anarchy in the streets where social order does break down, where people who have not had so much as a parking ticket before go out and commit violence.

My time has expired. I don't want to abuse the privilege. The third riot is that for fun and profit. Let's not let that devalue the first two. I want to just say that I agree, we need, number one, a Marshall Plan. We need to look to Germany, how West Germany is spending billions to develop East Germany. They know you can't live with a large underdeveloped population. You're going to get resentment, you're going to get rising neo-Nazism as they're seeing already, and resentment against immigrants as they're seeing in Germany.

We need to expand the lessons of capitalism to those who have not had capital. We need strong civil rights enforcement—no equivocating on this—we need to recognize that the historical legacy of racism has not disappeared. We need to take strong measures for remedies. We need community-based policing. We all want to fight crime; we should be at consensus, not loggerheads over this. I hope Philadelphia's new police chief in L.A., whom I've talked to, will be able to do something to ease the idea of the police being an occupying force in the inner city.

Finally, Ellis is right, we need leadership from the top. Chairman Fletcher, you and I have talked before about discrimination in the military. I think it's an important model where in the military, when leadership at the top said, "Okay, no more discrimination," you saw action. You saw real action. When leadership uses race for political ends to exploit it, then you see mass confusion, which is what we are having now in the land. I don't see an immediate end to that, but it will be up to the voters this year, I think, to make some statements at the voting booth. Thank you very much for your indulgence and patience.

CHAIRPERSON FLETCHER. Thank you so much. In fact, I want to thank each of you. I've asked each of the members of the Commission to take 10 minutes also with respect to their responses and questions. However, before we start that process, two of the other Commissioners have arrived. Would you please introduce yourselves and indicate the length of time you have been on the Commission.

COMMISSIONER RAMIREZ. I am Blandina Cardenas Ramirez. I have been on the Commission for almost 12 years, and I have to say that being here today makes the 12 years somehow seem worthwhile. I want to thank all of the witnesses who have come here, and I look forward to the rest of the hearing.

CHAIRPERSON FLETCHER. Thank you very much. Would you also indicate what your profession is?

COMMISSIONER RAMIREZ. I am the director of the office of minorities in higher education at the American Council on Education.

CHAIRPERSON FLETCHER. Commissioner Redenbaugh?

COMMISSIONER REDENBAUGH. Thank you, Mr. Chairman. I am Russell Redenbaugh. I have been on this Commission 2 years. In the rest of my life I am an economist—that may not be the reputation I want to have—an economist and executive of a computer software company. I join with Commissioner Ramirez in being very pleased to be here today and very struck with the importance of the particular moment in history that this Commission finds itself, and struck with the opportunity that the Commission has to begin to shift the agenda in this country with respect to race and ethnicity and class. I would say that the Commission has set itself a worthy and ambitious goal in terms of our programmatic approach for the next several years. I am pleased and proud to work here with my fellow Commissioners. Thank you.

CHAIRPERSON FLETCHER. Thank you very much, Russ. I am going to put this on the record, it may make you a little nervous Russ, but I am going to say it anyway. The seven points that Jack Kemp and President Bush have decided to push with reference to economic development in the Nation's depressed neighborhoods were generated by Russell Redenbaugh and some sources from Wall Street and myself. So the Civil Rights Commission and its members take every opportunity to do what our charter says we should do, and every opportunity to go beyond the charter, if possible to have an impact.

I am going to stay within my 10 minutes by making some observations and then asking for some responses. I am going to give you a few minutes to respond to why you think a Marshall Plan will work in the U.S. I have to tell you that ever since my late friend, Whitney Young, said it would work, I've had some serious doubts that it would. After I became Assistant Secretary for Employment Standards at the U.S. Department of Labor, I saw the political games that go on by those who have a monopoly on any opportunity that comes out of legislation where money is concerned; I've seen them take the intent of those words, and when the regulation process was put in place, what left the Congress and was signed into law by the President, and became implemented at the neighborhood level, somehow those dollars never quite got to the intended recipients. I have to be convinced that as things stand today, a Marshall Plan will work with reference to bringing the economic relief and the community-based participation that it will take to make it happen.

Let me say this to the various presenters. I'll start with Mr. Kropp. I've been using your report at the University of Denver where I am to set up the International Institute for Corporate Social Policy in the business school—trying to sensitize today's and tomorrow's business leadership to the connection between social policy and economics at the grassroots level. It is said that "there is an ill wind that blows no good." As much as I am depressed over the L.A. situation, I don't have to, for the moment, convince the bankers or any businessman in L.A. right now that when things get deplorable socially, the business community, starting with the banks and the whole financial services community, finally has to step up to bat, if for no other reason than to readjust all the loans, write off the losses, and try to start all over. So for a moment now—and I maintain that rage has a very short shelf life, and the concern that flows from rage has a shorter shelf life yet—business leaders, and particularly the banks, the insurance companies, and others, for a fleeting moment, think they see the connection between their indifference to what we've talked about this morning, and how it finally hits their bottom line and can result in losses that they just have to write off and never get back.

I might also add that I have used your "Democracy's Next Generation" no later than Monday of this week to present it to a group of young people, about 100 in the class, and give them a chance to respond, and whoever said we can't talk about it, you're absolutely right. Those young people were hit right between the eyes. Who were they? They were the people that you were surveying, they were 18 to 24, and they just did not want to talk about it. I almost had to mime questions so they would finally begin to loosen up. But they did not want to talk about it. After the class was over, there were several who would talk to me about it. They came into the room where the rest couldn't see, and wanted to

talk about it, but to talk about it in the open forum, they did not want to talk about. So you're absolutely right.

Incidentally, there has been the charge that we need a new vocabulary. I don't know about you writers, maybe you can help us, but they're saying we need a new vocabulary to discuss this issue, if for no other reason than that's the method that might help us to begin, sir, to talk about white racism. The idea of talking about it in today's vocabulary causes so much emotion that folks are seeking a way to talk about it without talking about it, I guess I don't quite know, but would you respond to the need for a new vocabulary?

MR. COSE. I don't know if we need a new vocabulary. I think we certainly need some new words. I was struck that the two white professors are the ones that were mentioning white racism, maybe because those of us who are not white have learned that to talk about racism is to raise all kinds of hackles and meanings that you don't want to get into.

It was striking, I think, a couple of years ago that the University of Chicago National Opinion Research Center did a survey and found that huge numbers of whites believe that blacks, by many measures, are basically inferior, Hispanics, as well as Asians, for that matter. But part of what that explains is why it is that consistently—when you poll you also find that so many whites essentially say most racism has disappeared—because, in fact, if you believe that people are inferior, it is not racist to think that they are inferior and to treat them in ways that say they are inferior. If you also believe that, it explains why you can believe that you as a white person are discriminated against if you are being asked to give equal access of some sort to people who are black, and who are therefore inferior. So in that sense, I think that there are a lot of whites who will gladly acknowledge, if not in the open, at least behind closed doors, that by some definition they are racists. But the problem is not that they see themselves as feeling that blacks are inferior, but that they believe that that's perfectly okay. It's interesting also, we have writers and academicians here, maybe what we need up here is a shrink, because we have some very convoluted rationalizations for racism going on. So simply to point that out, first of all, is not to deal with it. But secondly, you know, racism has come to cover so much territory these days that to me, and I think to a lot of people, it's almost a meaningless term. I mean, it covers people who hate people of color, but it also covers people who love people of color by their definition, who just happen to believe that they aren't as smart as white folks. So, yes, we do need some new words because we have a whole range of things that that subsumes. Clarence and I will get together later and come up with some of those words.

[Laughter.]

MR. PAGE. May I just tack on to that and say that I recently had a discussion at the Evanston Township High School, an integrated high school in a progressive neighborhood in a Chicago Illinois suburb, and I asked the question, "What is racism?" The responses I got from that black and white group illustrated how with most people what they have in their minds as a definition of racist is not the same as what the dictionary says. This is part of why we have such difficulty talking about it because we don't have a common meaning for what it is. Some felt, the dictionary simply says, [racism is] a belief that one race is superior to another—which means that anybody can be racist. A lot of black people hold the view that blacks cannot be racist, because we're part of an oppressed group; that racism includes oppression in its definition and the ability to oppress, etc. These are all good points, but we don't have a common language for discussion here.

MR. KROPP. If I can also just say, I think we should be careful with the word superior. At least in the polling that we conducted with young people, there was a different kind prejudice than I think you would have found 20 to 30 years ago. In other words, superiority, if we want to use that word, isn't aimed at intelligence or physical [characteristics]. The kind of really base, ignorant views that as I said were much more prevalent decades ago—if you want to use the word inferior—it would be toward values, inferior values or morals or whatever, and that is what is driving this wedge, or is responsible for a permanent underclass.

There were tremendous contradictions that the young people ended up having to confront themselves as we forced them to talk this through. They come into the room and they

think that they are a leader, or at least part of the continuum in terms of progress in the area of civil rights here and that they haven't a prejudiced bone in their body. But then they start talking about it, and I think that this is where the discomfort comes and the things that end up coming out of their mouths surprise them. We found that in the course of a 2-hour focus group, that these people were very uncomfortable with what they had just found themselves saying, that it was a contradiction to them. You know, "That's not who I thought I was," and in a lot of instances people walked away from that saying, "Boy, I am a different person than I thought I was, and I think I need to do something about this."

Now of course, if we just left it there and never came back to those kids, they would revert right back, which is one of the points that I think we need to make out of all of this. We will be absolutely just as bad off a year from now if all we do is pay attention to this issue for the next month or two.

CHAIRPERSON FLETCHER. Dr. Feagin, let me say that that rage thing that you talked about, I am not quite 72, but I am 68. When I heard the [first Rodney King] decision, I was home eating alone and for a moment I almost blacked out. Then I snatched up my plate and slammed it against the fireplace in my living room and sat there and trembled for a few moments. I did not realize that for an old feeble fellow I still could get that mad.

But that's why I am fascinated by your report that this rage thing had been reduced to such a tangible understanding, and it is, and has been, a kind of a mental problem to put all these faces out there at different times. I haven't been able to do it too well—I can't. The face I carry past the gate into the White House is the same face I show the President. They don't feel too comfortable when you come straight out. When I testified the other day, I flat out did the same thing, and to my surprise, I had people come and say, "I did not know you could still be that mad." When I tell them I am not mad for myself anymore, but for my great granddaughter and my great grandkids when I had hoped that they wouldn't have to travel the road that we've traveled. It looks like they're going to have to travel it again.

MR. FEAGIN. I think that's a very good place to start with all of this, Dr. Fletcher. Your throwing the plate against the wall is something very few white Americans do. You know, one big divide between black and white Americans in this country is most whites have no clue about what you're talking about. We don't feel the pain, we don't feel the anger, we don't throw plates against the wall because of racism and discrimination and oppression of all our minorities in this country. We're happy, we're contented, most of us who are white. We don't even have to think about being white most of the time. Many white people can go through their entire lives without thinking about being white. Hardly any black person can go, what, more than a few hours without being reminded that they're black.

So one of the new things that needs to come into the language and discussion is this rage that you're talking about. It's been something that you've hidden. Black Americans have hidden this for good reasons, to make it in our society. We only see it occasionally in the riots, and my friend here that's a retired psychologist talks about how he spent 74 years repressing this rage. He says, "Now I am 74 years old, and the next white son-of-a-bitch who crosses me, I am going to kill the son-of-a-bitch. I don't care. I am 74; it doesn't matter any more."

CHAIRPERSON FLETCHER. I know the feeling.

MR. FEAGIN. Now, this man drives a Mercedes, lives in an upper middle-class white suburb, was a prominent professor at a major white university, and was considered too moderate by many of the black kids on campus. Now this is where the rage is. We're not talking just the kids in L.A.; we're talking about black America. I think one of the new ideas that needs to come into this discussion is how much pain whites have inflicted on black and other nonwhite Americans, how much rage is there because of the pain. You know, part of this last 10 years of covering up the story—this lying to us by prominent commentators—is we whites are convinced there isn't racism in this country.

MR. COSE. I know this isn't quite my role, but I feel compelled to interject. One of the reasons that whites don't feel that is because whites don't want to hear that. So part of where that gets you is to wonder where in the world is the political consensus going to come from for a new

Marshall Plan. If there's a political consensus out there at all, it seems to revolve around two issues. One is that welfare is too expensive and is too dominated by minorities who don't want to work. Two is that there is too much street crime and we've got to do something about that. What I don't understand is how you get from that consensus to a consensus for something like a Marshall Plan.

MR. FEAGIN. Rome is burning and President Bush is very much like Nero out there, fiddling. You know, he has searched for platitudes about the riots and then goes back and plays golf. I don't understand how our political officials can play golf while Rome is burning.

MR. MARABLE. In part, because they don't feel what we've been talking about—the rage of African Americans, regardless of income—on this question. Two points, very quickly. I think that part of the search for a consensus has to begin with an honest discourse about the effects and the impact of racism upon all sectors of the African American community, and that's why Professor Feagin's work is so important. The fact that the things that Dr. Flemming and I and other people take for granted, that we don't even think about anymore, the fact that if you try to catch a cab in a major city, if you're in New York, you've got to pretend like you're going downtown rather than uptown to fool the cabbies and get in before you tell them where you're going. The fact that I have to dress up before I go shopping, or the fact that I have to think before I do something because I know what the social consequences are. That's something that African Americans live with, that whites don't have a clue to in their lives.

Second thing, real fast. My own sense is that part of our problem is in constructing the national consensus and in reconstructing what a new language might be, or a new discourse has to focus on the distinction between individual versus institutional racism. That is, my students in class at the University of Colorado, and throughout the country when I talk with student audiences, say that they feel that they're not racists because they haven't burned a cross. They don't wear a Ku Klux Klan sheet and they don't like David Duke, and so consequently they're not racists. At an individual level, race for them has, to use another historically important expression, "declined in significance." However, they are the beneficiaries of institutional racism. So those same students will go out and become loan officers and deny African Americans and Latinos loans at banks at twice the rate that whites get denied, and they feel, "Hey, I haven't done anything racist." Or car dealers, in a study in Chicago, can charge African Americans—people of color—higher rates for the same cars, using the same negotiating strategies—that study was done about a year or so ago—and they don't feel they're racists at all. So there's a distance between individual behavior which is overtly racist and institutional outcomes. We have to link those two and make people aware. It's not good enough to say, "I am not racist because I don't use the word 'nigger'." We've got to go beyond that and see how people concretely benefit from a system of inequality that is rooted in the economy, in the media, in the political institutions, and social institutions before we can craft that new common ground.

CHAIRPERSON FLETCHER. Thank you. Commissioner Ramirez?

COMMISSIONER RAMIREZ. I wish we could just let the panelists keep talking without asking them any questions. But I do want to ask Mr. Cose a question in particular, and any other panelist who might want to comment. As I looked at what was going on in Los Angeles and then the political responses to that, I was looking for some reason, other than basic humanity and a sense of justice and a sense of commitment to the ideals of this country—what reason or what reciprocity I could identify, between what was at stake for the people in South Central Los Angeles and in many other cities, and the direct vision of our political leaders about what they had to offer them. It struck me that the powerful influence of great capital in influencing the actions of our political leaders, and the diminution of the importance of the vote of the individual in that game, was probably as powerful a force as anything.

Last night there was a presentation on how one man, who happened to be Asian, gave $500,000 to President Bush's big fundraising dinner, and he was a recent immigrant. I guess I am asking, "How do we create a sense of a common stake and a common future and a common purpose?"

MR. COSE. I think that's very difficult, but I think that's the political task that we face. The typical liberal reaction is to say "we need to help these people"; basically it's a reaction of charity. You have the typical conservative reaction; it's a law and order reaction. It is, "we have to put these things down, we have to somehow get this thing behind us."

What both reactions share is that they are rooted in a sense of trying to avoid the next riot. They are not rooted in a sense of trying to build a nation.

It does not take a genius to look at where the demographics are taking us in this country. It does not take a genius to realize that we are shutting out of society the fastest growing segments of our population. It also does not take a genius to realize that even though American productivity is not declining, it is not growing nearly as quickly as it once was. It does not take much to figure out that if you have a society that is economically in trouble, if you are taking the fastest growing segments and locking them out and keeping them from being productive members of that society, you have a country that's in trouble. You don't just have a Watts that's in trouble. You don't just have a South Side or a West Side of Chicago that's in trouble, you don't just have a Harlem that's in trouble, you have a country that's in trouble. I think that the task before our political leadership now is to make the case for this country—that we're going to have to figure out a way to work as a country, not just so we can stop the next riot, but because our welfare as a nation depends on this. That's a very difficult political dialogue. It's much more difficult than blaming Murphy Brown and Lyndon Johnson for all the problems that we have. But I think it's a necessary dialogue and one that's going to have to be conducted at the highest level.

MR. HACKER. May I give an alternative scenario? Simply to indicate the challenge that's ahead and now uphill what some the speakers have said it is going to be. There is a Marshall Plan going on right now. It consists of an infusion of immigrants, legal and illegal, who are willing to meet the economy's work force needs, both at the unskilled level and at the high-tech level. At our colleges of engineering, the enrollments are primarily Asian immigrants, who are becoming our next engineers and will be absorbed.

In addition, as we saw in South Central Los Angeles, there is a capital infusion on the part of immigrants who are building the businesses, in many cases manufacturing as well as retail. Also, immigrants—I see this in my own borough of Queens—are performing the urban renewal. This is the Marshall Plan in the American style. It is not public money. This is what is being said, in effect, "Why should we do things for other people who don't do anything for themselves when we have these new Americans who are doing it the American way?"

I might mention, in passing, that in my college, we have comparatively fewer black students now; and the immigrants are displacing them. And more of our black students are immigrants themselves from the Caribbean. As far as achieving a consensus is concerned, I can only say that the major consensus in this country is a disassociation from people of African origin. Any new immigrant, whether it was the Irish 100 years ago, or somebody coming in from Korea in an airplane today, disassociates themselves from people who have their forbears in Africa. It's not race; it's Africa, as opposed to Europe, as opposed even to Asia. Africa is regarded as different in the minds of Americans. Not just different—but I am going to be very honest here—I don't know whether it's going to come out in your surveys, but white people and Asians regard Africa as the least developed continent in evolutionary terms. In this sense, when we talk about building a nation here, hey, for 300 years we have not accepted people from Africa. We have our work cut out for us for the next 300 years.

MR. FEAGIN. It seems to me that the critical issue here is what responsibility and action the white people who run this country take. You know, Tom Dye does this survey of the 7,300 top Americans, those with the greatest power in this country in corporations, in government, at law firms, and in the media. Of those 7,300 people somewhere around 6,900 are white males. White males run the country, and here I am talking about the power at the top. It's that power that has to be influenced with hearings like this to take some moral responsibility for a change about these problems—these ultimately white-generated problems, all of them. Whether it's the

discrimination against Koreans who have to go into business because they can't get other jobs, white racism lies at the bottom of this problem. Can you think of a single prominent white leader, a single one of these 7,000 influential white Americans who has taken strong antiracist stands on a regular basis in this country? The last one I can think of who was an outspoken antiracist among that 7,000 was Lyndon Baines Johnson. Now, maybe it's because I am a Texan. Johnson, of course, had his own questionable background and his own problems, but, for whatever reason, he was outspoken toward the end of his term against racism in this country. I can't think of a single leader, corporate or political, who has been that outspoken about racism as a problem.

The Kerner Commission—9 of whose 11 commissioners were white. The Kerner Commission said it, "white racism is the fundamental cause of the explosive mixture in our cities." It seems to me that whites at the top—presidents, politicians, Senators, members of Congress, top corporate officials, top university people, top law firm people—need to start taking action to deal with the racism in our country; these are the people who have the power to change things. Not all whites are created equal, you know. It's not the hardhats who are the primary problem.

In my interviews with 210 mostly upper middle-class black Americans in 16 cities, most of the discrimination they report is at the hands of middle-class and upper middle-class white men—realtors, bankers, car dealers, bosses, vice presidents, personnel officers, neighbors, professors—these are the primary discriminators they report in the interviews. Part of the problem has to be recognizing the racism that's in middle and upper class white America. That's a big task because you're talking about building consensus, political action. The way we work in this country we tend to go with leadership, and we don't have the moral leadership in this country on racism any more.

COMMISSIONER RAMIREZ. Pass.

CHAIRPERSON FLETCHER. Commissioner Berry.

COMMISSIONER BERRY. Thank you, Mr. Chairman. I'll take my time to make a couple of comments and then ask a question as you and Commissioner Ramirez have done.

First of all, the taxicab example that Manning Marable gave, we often give. Just 3 days ago I was going to speak at a commencement at a major American university, where I was to give happy thoughts to the graduates, and came out of the hotel and got in a taxi. The doorman opened the door and the guy drove away from the hotel and then told me to get out of his cab because he did not want any "niggers" in his cab, which I proceeded to do. Then I made my way to the university and gave a happy speech to the graduates.

In any case, those slights to those of us who are middle class often get a response from people who say that that's a minor incident, which it is, but also, I know many young poor black kids who are in high school and who are trying to get jobs as busboys, and are turned away by employers who tell them that they don't want to hire blacks as busboys, that they have too many problems with them. There are, of course, studies done; at the University of Chicago there has been one recently done about the discrimination against especially young black males who try to get jobs. We can read about issues of discrimination against blacks whether they're in the underclass, the middle class, or whatever class across this land, including—I heard Oprah Winfrey the other day just talking about somebody discriminating against her. I guess they did not even know who she was.

But I'd always been puzzled, I knew why the denial which has been discussed by the panel takes place among whites, because in Psychology 101 we're taught about why denial takes place, because if there's denial then you don't have to deal with it. I wondered why, though, someone who runs the kind of organization that Mr. Kropp does would say something like—he probably did not mean it in this sense—"we shouldn't get into casting blame and trying to find out about these things," we should just go over our head and address them or figure out what to do about them. I was always taught that acknowledgment is the first step in resolution. To the extent that you don't acknowledge that you have a problem, you never are going to do anything about it.

I am more puzzled as to why black people, African Americans, especially middle and upper class intellectuals, agree with whites that racism

doesn't exist, or if it does, it's minor and that blacks are inferior. I think Mr. Cose is quite correct that this notion of our being inferior is at the bottom of a lot of this. He and Professor Hacker mentioned this subject. But there are many African Americans who have been writing for the last few years and even before that time—they are prominent now—that we are inferior. I assume they're talking about themselves too. When they say things like we don't need civil rights enforcement or affirmative action because any blacks who are qualified would be there anyway, which assumes that any who aren't there are not qualified and are therefore inferior, and we don't need to give special attention to economic opportunities because anybody who is good enough will always make it. So I wondered about that, but then, Professor Hacker, you've answered that by telling us that everyone who comes to this country wants to distance themselves from Africans and from African Americans because they understand that we're regarded as inferior, and perhaps that is what motivates African Americans, who also try to distance themselves from other African Americans.

What I wanted to ask about—a columnist wrote in his column this remark, and I'd like you to respond to it, any of you who care. "Who can blame black conservatives or anyone else for questioning a civil rights agenda that has resulted in split-level black success with some of us making it, about a third of us left behind in grinding poverty, and a big group languishing in between, only a paycheck away from poverty." This columnist was talking about the relative bankruptcy of the civil rights agenda and also has commented on the lack of leadership acknowledged by African Americans in polls for the black community.

It occurred to me that the Civil Rights Act of 1964 was passed in 1964. Enforcement did not get underway, according to a study done by this Commission, until about 1968. It was 1969 before all of the machinery was put in place, which means that from about 1969-70 to 1981, even if one forgets about the failures of enforcement and the fights about it during the Nixon administration—some members of this Commission were engaged in those fights—that we only had about 11 years, 12 maximum, of anything that we could call a civil rights agenda being prominent in this country. We have had since January 1981 until January 1992, about 12 years of a civil rights agenda being given a lesser priority in this country. I think that the documentary record of the reports done by this Commission, as well as media accounts, would show that this is the case. At the same time we have reports from the Justice Department and other agencies, including this one, of an increase in racial violence and intimidation and hostility, an increase in opposition to affirmative action, increasing indicators and polls like Mr. Kropp's and others of increasing racial hostility in the country. What is the answer, if diffusing and deflating the civil rights agenda and making it less prominent leads to this? To what are we to attribute what has happened? Because I could say this, who can blame those who have a civil rights agenda for questioning the agenda of the last 12 years that has resulted in splitting up of black success, with some of us making it, a third of us left behind, and a larger group languishing in between only a paycheck away from poverty.

MR. PAGE. May I respond to that? I probably came the closest to saying that when I quoted the *Detroit News* survey of black Americans. The majority of African Americans polled said that they thought civil rights groups like the NAACP, SCLC, Operation Push, go down the line, the Urban League—and not so much the Urban League, but they thought that the emphasis on civil rights enforcement was inappropriate these days to what their biggest concerns were. If I may reinterpret this, they thought the emphasis on racial integration was inappropriate to what their real concerns were—which were improving their schools, getting jobs, and economic advancement. I think the reason for that has to do with why I think the statement you quoted from that column is benighted. I think that statement is benighted because it implies that civil rights enforcement was to be the panacea for all of our racial problems. I think ordinary black folks on the street know better than that. They know that civil rights enforcement is important. They don't say, "Well, you know, we haven't solved these problems so we ought to scrap all civil rights enforcement." No. But what they are saying is that they wish the NAACP and a lot of other groups would spend more time now

building the economic development of the inner cities. For one thing, since *Brown v. Board of Education,* we look at our schools now, and in Andrew Hacker's book, I believe there are some extensive statistics on how our schools are more segregated now racially than they were in the 1960s.

COMMISSIONER BERRY. If I may interrupt in the interest of preserving my time, Mr. Chairman, I think I haven't made my question clear to the panel.

CHAIRPERSON FLETCHER. All right.

COMMISSIONER BERRY. My question is, in the last 12 years, the segregation indices have worsened in schools, for example.

MR. PAGE. Right.

COMMISSIONER BERRY. In the last 12 years we have an upsurge of incidents of racist intimidation and violence.

MR. PAGE. Are you sure? The reason I asked that is because we've only been studying it for the last 10 years, haven't we?

COMMISSIONER BERRY. All I am telling you is what they tell us, okay?

MR. PAGE. But we haven't been studying it that long. We really don't know.

COMMISSIONER BERRY. We know that racial isolation in the public schools is a major problem and that black and Hispanic students are more racially isolated in many of our cities than they've been before. My query is this, if promoting a civil rights agenda is what created, or had a role in creating these problems, one would think that in the last 12 years when a civil rights agenda has not been prominent at all, civil rights enforcement has declined, there have been big fights about why we don't have it. All of our reports that we've done in this Commission indicate that as far as Federal agencies are concerned there are huge backlogs of complaints, and as far as the local agencies are concerned, civil rights enforcement has not been the number one priority on the national agenda in this country for the last 12 years. Why haven't these problems gotten better instead of worse?

MR. PAGE. Obviously it's not a logical argument. I think it's only logical if you assume that racism does not exist, that discrimination has disappeared, which is the argument that, in effect, a lot of people make. If you believe that that is the reality of this country, then a civil rights agenda is irrelevant at best and is trading problems at worst. If you also agree with an analysis that welfare stems from the civil rights system, and that welfare doesn't work, and that crime somehow was justified by the civil rights community, and that crime is a problem, only by sort of throwing those things together do you get that kind of conclusion.

But I thought your first question was kind of interesting and I just wanted to respond to it very briefly from my perspective as a newspaper executive, and also as somebody who is involved in publishing. I think it's very interesting that we have counted 9 or 10 very good books out now on race. We have Nicholas Lemann's book, we have Andrew Hacker's book, we have a whole series of books out looking at race, all by white men. I find that an interesting phenomenon. My agent and I were talking about this the other day, and one of the reasons, I suspect, is not because there are no black writers who are interested in writing about race, but that the white publishing industry is not interested in hearing from these writers. That I find interesting, because it says something not about just the publishing industry, but about us as a society and what we are prepared to hear, and it comes back to your question of why is it that even some black writers would say these sorts of things.

MR. COSE. Shelby Steele got published, by the way.

MR. PAGE. Yes, Shelby Steele got published and he's not among those 10 books that I was talking about.

MR. COSE. He's not part of the mainstream of black opinion either.

COMMISSIONER BERRY. But he got published.

CHAIRPERSON FLETCHER. Excuse me. When you want to address the panel, please ask the Chair, so we can keep some order here, all right? Thank you.

COMMISSIONER BERRY. Mr. Chairman, could I ask my last question so I'll be finished? My last question is for Professor Hacker. Someone mentioned the picture of the Korean grocers standing out in Los Angeles defending themselves.

MR. HACKER. Yes.

COMMISSIONER BERRY. I wanted to point out that no blacks killed any Koreans in that riot, because I had to take a newspaper to task the other day for publishing an article with a picture

saying the major issue out there was blacks attacking Koreans. That did not happen.

You talked about the old immigrants who came in and were absorbed and assimilated, as these new immigrants come in and are absorbed—how do we prevent the black-white problem from being obscured completely once more, while everybody else comes along and gets assimilated or whatever? How do we keep the same thing that happened before—this dispersion of interests, and I am not saying the interest is wrong, from dealing with what seems to be this old very intractable problem, if you leave out the Native Americans, which I don't want to leave out. Is there some way we can keep the momentum to address this black-white problem while we discuss these other issues too?

CHAIRPERSON FLETCHER. Are you addressing any particular person?

COMMISSIONER BERRY. Professor Hacker.

MR. HACKER. Mr. Chairman, Commissioner Berry, I wish I had a happy face answer for you. The whole definition of this country has been to pit faction against faction, fan the flames, and keep it going—it's in James Madison in the #10 of *The Federalist Papers*—because that means other parts of the country can go on business as usual. I can only say bringing in other ethnicities is going to continue the deflection and from, as you say, a basic white-black issue. We have a whole ethnic industry, don't we, of people who build careers doing this. I wish I had an answer for you, Commissioner, but I don't.

CHAIRPERSON FLETCHER. Thank you very much, Commissioner Berry. Commissioner Redenbaugh.

COMMISSIONER REDENBAUGH. I am struck with a couple of things, as I came on the Commission and began to study the questions confronting us, and I am struck with the great extent to which the—let's call it the game of the economic system or the rules of the game—the great extent to which the rules of the game are rigged against people, against minorities, and against people who are outside of the loop of power. This Commission heard testimony from someone a month or two ago, talking about the interaction between the tax burden and the social welfare system. It was absolutely shocking to us to see how impossible it is, by the way the game is designed, to get out of poverty. The very policies that we have often result in stacking the deck or rigging the game against people.

What's more troubling is, in my time on the Commission and as we've prepared ourselves for this hearing, I am beginning to form the opinion that the easy work in the civil rights struggle over the last 30 years, the easy work has been done. Minorities can now vote and shop, but the really hard work hasn't been done at all, and that is giving people access to economic power, to capital, to production of wealth, not merely to a good job, but to the production of wealth. The system is fighting real hard to make sure that doesn't happen. I was thinking again about this notion of white racism and I think the present system is working real well for the people it's working well for. I'd never heard about this 7,300, the 7,300 club that was just mentioned, but I think for most of those people, it's working great. I want to start the questions with Professor Hacker.

It looks to me like it's not in the self-interest of the people—the 7,300 club, to use that as a metaphor, to change the game. The present system of explicit prejudice and implicit prejudice and cognitive blindness and unintended prejudice, all of that together has a basis that's working for somebody. It's in the self-interest of some people to have these arrangements. Then what we're up against in trying to change that is a pretty powerful foe, and that is really the terrain where I would like to spend my time. Professor Hacker, you begin, and feel free to respond in disagreement or in support or in encouragement or in any way that you would consider forwards the discussion. I would be happy to hear your response.

MR. HACKER. Mr. Chairman, Mr. Commissioner, very briefly, I would say I have to agree with you on this. The 7,300 I think, is an apt metaphor. Certainly, it doesn't like cities in flames, but at the same time it has no interest in any investment in preventing that. For example, we will continue to have Nike sneakers, athletic shoes, made in Korea, and in Brazil, rather than in our central cities. Now, in this sense, the 7,300 can do quite well in recruiting a work force by avoiding the central cities. I wish I could give you a different answer on this, but their definition of self-interest is that, and it is not one that is going to make for national harmony.

MR. MARABLE. I'll offer friendly disagreement and raise three key questions for the 21st century. Why is it in the long-run interest of whoever this elite leader is, however it's defined, to focus on these questions out of a matter of self-interest? First, labor force. There's never been a world civilization that has ever written off the cities. The core of the central cities are the productive, most creative centers of national life in any civilization. So consequently, the labor force issues, if you look at work force projections for the year 2000, and more important for the year 2050—you're talking about within the next 15 years, the labor force being essentially black, Latino, and Asian. By the year 2050, nearly one-half of the United States population will consist of people of color. So in the short run, yes, corporate America, the leadership could write off that population, but they're not going to be able to do it beyond our generation. In fact, they can't really do it now.

Second, consumer buying habits. I think one of the ways that we can appeal to corporate America is to talk about things they understand. Consumer buying habits are influenced by ethnicity and culture. Black Americans don't buy the same things that white Americans buy. Latinos don't buy the same things that Anglos buy. That is, that if you really understand how to sell to a market, if that market share increases for Latinos and blacks, then you're really going to have to have representatives who are people of color to appeal to that market, you're going to have to change products, and so in the real economic issues of corporate America, looking at consumers and their direction, you're going to have to change.

Then finally, the issue that I raised in my testimony, civil unrest. I predict all the historical elements are there. There is a collective historical protest memory. This is not just a metaphysical concept. This is something that's drawn from the collective experience, what, in her writing, Dr. Berry calls "a long memory of African Americans." Now you've upped the ante, you have people attacking symbols of property and power they did not attack 25 years ago. I hope I am wrong. I wish I was wrong. But what I tremble for and fear is that the next wave of civil disobedience will be far more sophisticated. Look at any western civilization. Look at any western country in Europe, and what one sees is a far more sophisticated level of terror. You may have it in this country, and it will only be those elites to be blamed for it. We are not listening to these firebells in the night.

COMMISSIONER REDENBAUGH. I would like to respond. I don't take much comfort myself in the Workforce 2000 notion. The diversity in the workplace will cause more Americans to be employed here. It may, in fact, accelerate globalization of the labor market. Clearly, one of the phenomena that we are seeing is global falling wage rates for unskilled labor. But even accepting the notion that that's right, that by the middle of the next century everything will be fine, I think that's too slow, too long, or even if it's a decade away, I don't see how we can ask people to wait. I don't share your optimism, and I have a different level of urgency. I would like the panel to respond to the question: "What can be done to increasingly show that what we're talking about is in the self-interest?" Because right now it looks like it's not. It looks like it's off the agenda of corporate America, of political America. It doesn't look like it's in the self-interest, other than to restore tranquility.

MR. PAGE. If I can just respond briefly. I am getting a mixed picture from corporate America. I am talking to a lot of corporate executives who are inviting me to come to speak to their organizations or seminars, not on how can we get around civil rights quotas, but how can we find qualified minorities, and they're asking this question quite sincerely. They want to know better where to look, what are they doing wrong that they should be doing right.

Also, we have in Chicago, Washington, and every major city that I know of, civic organizations composed of individual CEOs and corporate leaders who are tired of having to interview 75 candidates for a secretarial job before they find one who is literate enough to even begin to meet the task. This is already costing corporate America money even in this changing economic environment. At the same time, you're absolutely right that—and, of course, Andrew Hacker is absolutely right too about the export of much of our industry and the decline, about how the creation of the so-called underclass came about because of the structural reorganization of our heavy industries. So I am getting a mixed

picture. I think that in the corporate world there is a considerable amount of consensus around the need to do something to redevelop the work force; there just isn't a strong enough will for it to filter out to a political realm.

COMMISSIONER REDENBAUGH. What percentage of the labor force works for corporate America?

MR. PAGE. Oh, you mean as opposed to small business?

COMMISSIONER REDENBAUGH. Yes.

MR. PAGE. I don't have a figure offhand.

COMMISSIONER REDENBAUGH. It's diminishing.

MR. PAGE. Yes, it's definitely diminishing. I mean, all the new jobs created in the 1980s—

COMMISSIONER REDENBAUGH. Went someplace else.

MR. PAGE. I know about small businesses, not big corporations, but the small businesses are the ones having the toughest time getting the qualified workers.

CHAIRPERSON FLETCHER. Thank you very much. Russ, your time is expired.

COMMISSIONER REDENBAUGH. Thank you.

CHAIRPERSON FLETCHER. Commissioner Buckley?

COMMISSIONER BUCKLEY. I don't know that I have a question, but I have a couple of comments and maybe you all can respond to them. In September of 1988 we started off a series of regional forums that had to do with changing demographics in this country. At the forums that we held in L.A., we heard discussions of the "visible" versus the "invisible" minority. When you spoke a while ago about the immigrants of 30, 40 years ago, you would have been talking about Irish Americans and so forth, but I will challenge that the immigrants now—the Korean Americans, the Salvadorans, the Mexican Americans—and the black Americans are not an invisible minority. I would expect that 30 years from now you're not going to be able to see the assimilation that we saw in the previous immigrants. I think that that's part of why we are so concerned as a Commission, that we are not expecting this to happen.

When Dr. Feagin was describing some of the anecdotes in his work, I could see Hispanics standing at the door of the restaurants—as a matter of fact, I stood in one of those restaurants myself—which expands the problem. It not only is happening to blacks, it's happening to other of the visible minority groups. When we talk about the anger, we had a very young female Korean American lawyer in Los Angeles who was practically screaming at us because of what she was telling about what had happened in Los Angeles, and there was a lot of anger among these people. People that are stereotyped as very submissive, and they don't talk a lot and whatever, were talking a lot to us and they were telling us a lot of these things.

So, I too have seen some of the difficulty in talking about racial tensions because we started trying to talk about it in 1988 and nobody listened at that time. But I am encouraged by seeing the tremendous knowledge that you have brought to us here today, and I hope that some of the suggestions that we're hearing we can see implemented and maybe continue this dialogue.

CHAIRPERSON FLETCHER. All right. Is there a response to her observation that anyone wants to make? Yes.

MR. COSE. Yes, if I could. Yes, Mr. Chairman, I think I would respond very briefly because we've heard a lot of—

CHAIRPERSON FLETCHER. It's a budget problem with us.

MR. COSE. Vis-a-vis the nexus of immigration and racial tension, I guess there are a couple of points I would like to make briefly. The first is that I think, to some extent, that observation is correct that the year 2050 is not going to see quite the composition that is being projected now. In other words, that a lot of people who are immigrating now are going to vanish into the mainstream because a lot of immigrants, a lot of Latino immigrants, are considered white, though many are not. So to do a straight line projection that says in the year 2050, there is going to a majority-minority population is probably flat out wrong, partly because a lot of those people will not be considered Latino or Hispanic by then. There's a great deal of intermarriage among certain immigrant groups and certainly their offspring will be considered simply white Americans. So to some extent that is going to diminish, but it's not going to disappear.

I think that the fact of the matter is that we are going to see an increasingly larger proportion of visible minorities. I am not so sure that

an argument to the elites is going to get us very far, but I think that what is clear is that all jobs cannot be exported. Number one, there is not, in fact, a Marshall Plan by immigration, because the recent immigrant experience, in this country, is a very mixed experience. Despite the fact that the new legislation has a category of investor-immigrant, come in with a million dollars and become an American, that is not going to be most immigrants who come into this country. I think that the point to be made to the elites and everyone else—to the extent that we don't employ people, to the extent that we don't make them productive members of our society, even if they don't become part of the corporate work force, somehow this country is going to have to come to terms with them. Either this country is going to support them through the prison system, through the welfare system, or through crime itself.

CHAIRPERSON FLETCHER. Thank you. Commissioner Anderson.

COMMISSIONER ANDERSON. Thank you, Mr. Chairman. I found the panel's comments today to be very informative, very helpful to what we're going to be doing. Mr. Page mentioned in quoting Shelby Steele that he found this generation to be the most guilt-free generation of Americans. What struck me about that when I read it in Mr. Steele's book, and reflecting on it this morning, is that guilt, or the lack of it, has something to do with morality. Even immoral people or immoral actions have a reference to guilt. But amorality is, in a sense, guilt free.

It seems to me that essentially the civil rights effort in this country for the past 20 to 30 years has been a moral effort. So I wonder whether the panel might address the question of the ability to infuse a morality related to civil rights can be done in a generation which in a large measure is amoral. The difficulty is not that they don't have a moral sense about civil rights matters, but that there is a general lack, perhaps, of a moral sense in many matters, which is one way of saying that perhaps hate crimes among young Americans are not totally disassociated from, say, the extraordinarily high rates of teenage pregnancy.

MR. KROPP. If I could respond. This also gives me an opportunity to respond to Dr. Berry's concern. I did not mean to infer that the white community in America should not feel guilty. My concern is that a strategy built solely on white guilt is bound for failure. Let me give you some insight into that.

When we talked with these young people about the kind of issues that would elicit guilt, it backfired. In other words, you got a hostile reaction. What they would throw in your face, whether it was simplistic or whatever, "don't talk about me holding back this community, when I know what drugs are doing to this community, when I know what teenage pregnancies are doing to this community, when I know it doesn't make any difference that it's black on black, what homicides are doing to the black male community, don't talk to me about being exclusive, when I watch on television"—I am talking through their voice—please. "When I see Black Entertainment Television, Jesus, what if we had white entertainment television, what would happen." I am talking through their mouths and I understand their thing. Or that "they have the NAACP" or that "they have United Negro College Fund, don't talk to me about how I have to be less discriminating when I don't even view myself as discriminating." That's why just talking to these kids—because that's what we study—and trying to pursue that strategy is bound to fail. There are other ways to get to that.

As I said, when we conducted our discussions and they began to hear themselves, that was far more constructive than if we came in and said, you are evil, the society is bad, this is happening, that's happening. Forcing them to confront what they themselves were thinking was far more constructive, and I think would lead us a lot further along.

It is a dangerous situation that we're confronting.

The walls are being built higher and higher; the misunderstandings are more acute. One of the striking results that we found in the survey research was that these young people could talk about personal relationships in very sincere terms, very heartwarming terms, about their black friend or their Hispanic friend, but then they did not extend it. "Boy, yes, but he's exceptional. She's exceptional; she's not reflective of where the rest of the community is." That is where we have to concentrate.

I don't agree with the assertion; I think it's just too simplistic to say that white America views blacks as inferior. We did not find that. They did not talk in those terms. There was concern about violence and values and, you know, that they have a stake in all of this. But it was not in the kind of terms—and maybe I am being naive, but we spent many, many, many hours one-on-one, folks—it just did not come out that way. It was fear. We talked about cultural differences. I think the white community is fearful because they don't understand. Young white people don't understand the different cultures. They see the rap videos—you know, just on the "Today Show," Sister Souljah was on, and they were showing the video where she's there while all the white police officers are getting gunned down. Now, we understand—you know, we can intellectualize and understand what is going on there, but—you know, these kids are being bombarded with images, and they're saying, "You're blaming me? You're blaming me?" So that's where, as I said, in addition to the economic concerns that we talked about, we have to spend time on how these people are perceiving one another and their conditions in life.

MR. FEAGIN. I would like to add one small optimistic note.

CHAIRPERSON FLETCHER. We have another panel waiting so I don't want to hold them up too long, but please do.

MR. FEAGIN. In terms of how you approach this for solutions. Part of the problem of white racism is a matter of self-interest and viscerally deeply held attitudes. But a big part of the white problem in this country is just ignorance and illiteracy about black Americans, Asian Americans, Latinos, Jewish Americans, American racial and ethnic history. One of my college students in one of my racial and ethnic relations classes recently did not know who Martin Luther King, Jr., was. She thought he was some rock star. There is so much about our history that white Americans do not know. When you put it before them as the videotape of Rodney King's beating—I mean, white Americans have been told about police brutality for years. You show them one videotape—and the polls I've seen suggest a majority of white Americans think that was wrong. Coming back to Commissioner Anderson's point, it suggests there is some morality in white America, if we can viscerally react and say that's wrong. The problem is we're not being told what's going on. We don't understand it; we're illiterate about it.

CHAIRPERSON FLETCHER. Thank you. Commissioner Anderson, please?

COMMISSIONER ANDERSON. I had another question here. One of the panelists, and I think maybe it was you, Mr. Hacker, referred to the phrase "sun people and ice people." Then we've heard a lot of talk about whites as a racial group, a monolithic sort of group and there's some sense in which that's certainly accurate. But going back to that distinction between sun people and ice people, how would you put in Italian Americans? Would you consider them ice people or sun people? The reason I raise that is a serious reason. There are many European ethnics, Poles, Irish, Jews, who have a longer memory of oppression by fellow whites, and that goes back a lot farther than the long memory of slavery in this country, so that their perception is one of an historically oppressed minority. Therefore, to a large extent, they don't perceive themselves as part of a monolithic white structure that has oppressed minorities, because they see themselves as having been oppressed by that. I think we can all learn something from looking at white racism, but unless we consider also that other complicating aspect of it, it seems to me that it may be too narrow. Can you discuss that a little bit more for us?

MR. HACKER. I am going to discuss it in 30 seconds. I think you have a fantastic title for a book here, Commissioner. It would be entitled "A Nation of Victims," and it would include even the Anglo Saxons who fear that they are being moved in on.

CHAIRPERSON FLETCHER. Thank you very much. I can't thank this panel enough for getting our hearing off to a good start. We would appreciate it, those of you who have prepared statements, please submit them for the record. As we indicated earlier when we opened the session, the files won't close for 30 days. I am sure that, as you get on your planes and trains and in the cars and head back, you will all say, "I should have said this, that or the other." Whatever you assume to be a better response than some that you've already given, please feel free to make it available to us. You've been very helpful and

thank you so much for getting us off to a good start. We are taking a 5-minute break while the next panel organizes itself.

[Recess.]

Overview Panel II

MS. BOOKER. I'd like to ask the members of the panel all to take your places. Dr. Flemming, Mr. Hailes, Mr. Kamasaki, Mr. Kromkowski, Ms. Kwok, and Mr. Mokhiber.

CHAIRPERSON FLETCHER. We will commence with a statement from the former chairman of the U.S. Commission on Civil Rights, who is still recognized as one of the best, if not the best, chairman the Commission has ever had. Dr. Flemming, please.

DR. FLEMMING. Mr. Chairman, I appreciate very much being here this morning. I want to commend you and your associates for holding this hearing on this very important subject. It seems to me that this is an area where the Commission should be exercising leadership and I am delighted that you are in the process of doing that.

CHAIRPERSON FLETCHER. Thank you, sir.

Statement of Arthur Flemming, Chairman, Citizens Commission for Civil Rights and National Education Commission

DR. FLEMMING. In June 1981 the U.S. Commission on Civil Rights filed with the President and the Congress a report entitled *Civil Rights: A National, Not A Special Interest.* In this report we took sharp issue with the President's proposed budget for 1981-82. We took issue with what we regarded as backward steps in providing staff resources for those agencies that had been charged with the administration of laws that provided minorities with the right of access.

We also took issue with proposed reductions of staff resources for agencies charged with the responsibility for carrying out programs which would create opportunities for exercising those rights of access. It is important, for example, to have the right of access to housing, but it is equally important to have the opportunity of exercising the right of access to low cost housing.

With a few notable exceptions, the civil rights movement has continued to move backwards in the intervening 11 years by failing to provide adequate support for programs started either in the 1930s or the 1960s or by failing to create new domestic programs.

Take, for example, the Upward Bound Program. This is a program created by R. Sargent Shriver in 1965 which gives promising, but underprivileged, minority students the opportunity to have supervised experiences with institutions of higher learning during the summer, and in some cases more than during the summer, between their junior and senior years in secondary schools. It is an excellent program, ideal for students who in many instances would be conducting a vain search for jobs or would be wandering the streets during the summer. It is a program which provided 51,750 students with opportunities—in the middle 1970s. Eight years later in 1991, [it] provided only 36,000 with opportunities, because of a reduced budget.

A study conducted in the 1970s by B.J. Berkheimer and his colleagues for the Ford Foundation Fund concluded after rather consistent support for the idea, that the Upward Bound program is effectively meeting its mandated objectives to provide participants with the skills and motivation necessary for entry and success in education beyond high school. Why not expand the program, which over a period of 25 years proved that it works, to provide opportunity for 500,000 instead of 50,000—less than 50,000—36,000 high school students?

Then there is the Senior Community Employment Program, Title V of the Older Americans Act, which provides opportunities for employment for 60,000 older persons a year. It has functioned for 25 years. It has provided many community service organizations with invaluable assistance. Along with the Job Training Partnership Act, it calls on private industry to tap an untapped resource as it confronts shortages in significant categories, shortages which are bound to confront us in the next few years if we are to have increased productivity. Why not provide opportunities for 120,000 persons, instead of just 60,000 through a program that has proved itself for 25 years—proved that it works? These are simply two illustrations of programs that have proved that they provide opportunities for access.

Programs such as the Job Corps, the Job Training Partnership Act, the program for small

business, VISTA, and other ACTION programs, Head Start, Title I of the Elementary and Secondary Education Act, the Older Americans Act, the Social Security Act, and the program for low cost housing, which have not anywhere near realized their possibilities because of inadequate resources.

We as a nation do have the resources to provide added support to these and other programs designed to enforce right of access and to provide opportunities to access. We can increase the personal income tax and the corporate and income tax of the wealthy. This can provide us with an additional 1 to 200 billion dollars over a 5-year period.

A report by the Congressional Budget Office shows that this will hurt households in the upper 1 percent whose after tax income doubled in the period from 1977 to 1989, or the upper 20 percent of households whose after tax income increased 32 percent in this same period, while the after tax income of the lowest 20 percent dropped by 9.1 percent over this same period. Then we are engaged in the process, as a nation, of beating our swords into plowshares, a process which should result in $100 million over a period of 5 years being transferred from military programs to domestic programs.

The President's budget provides for a transfer of $20 billion, $7 million in 1993, but many on the Hill believe that that figure can and should be doubled or even tripled. At least $100 billion is available from that source. We are engaged in the process of increasing taxes on alcohol and tobacco which should yield at least $50 billion over 5 years for domestic purposes.

These new revenues of $250 to $300 billion should be earmarked, in part, for the deficit, but a large part of these new revenues can and should be used for domestic programs. It is only in this way that we can deal with the underlying causes of the riots in Los Angeles and many other cities. It is only in this way that we can replace despair with hope in the lives of minorities and poor whites.

We have programs that have provided opportunities for access to some individuals, but are not doing it for many others. Other programs—new programs—are needed. We must bite the bullet and provide the resources that are required to make programs come alive in the lives of many persons who live in despair, not with hope. Thank you, Mr. Chairman.

CHAIRPERSON FLETCHER. Thank you very much, sir. Thank you very much. I am sure some of the members of the panel will want to ask questions and make some observations, and we will shortly. Next, please?

MS. BOOKER. Mr. Hailes.

Statement of Edward A. Hailes, Jr., Counsel, National Association for the Advancement of Colored People

MR. HAILES. Good morning. I am Edward A. Hailes, Jr., and I am counsel for the Washington bureau of the NAACP. The National Association for the Advancement of Colored People was founded in 1909. It's the Nation's oldest and largest civil rights organization, with over 500,000 members in 50 States, the District of Columbia, and abroad.

Mr. Chairman, we too would like to commend the Commission for convening this hearing. Indeed, there is a compelling need for this hearing, for we are painfully reminded of the old adage "if we cannot find a way to live together as brothers and sisters, we will certainly die together as fools." The NAACP, therefore, recognizes the urgency of addressing the profound problems of poverty, inequality, and discrimination, which we know lead to racial and ethnic tensions in the Nation. A cogent, honest, and informed perspective on this national problem begins with the regrettable reality that the hope of minorities for justice and peace in our communities remains a distant one. Further, tensions along racial and ethnic lines are exacerbated by present economic conditions and injustices in the legal system.

We believe we are witnessing a moral crisis in our nation that is evidenced by the rise in racial animosities, hate crimes, and urban unrest; we are all challenged by a moral imperative to end the hatred, the mistrust, the confusion, and the destruction. While the NAACP does not purport to hold the solution to this complex dilemma, we are convinced that a national commitment to justice and economic empowerment for minorities is essential to the reduction of what we know to be frictions.

Looking through the lens of recent events in Los Angeles, the impact of racial and ethnic tensions becomes readily apparent. The verdict in

the [first] Rodney King trial and the subsequent destruction of much of south central L.A. have shaken our nation to its core: 58 dead, 4,000 injured, 12,000 arrested, the loss of 40,000 jobs, and over $1 billion in damages. Over the past several months, the videotaped beating of Rodney King by officers of the L.A. Police Department has come to symbolize the very essence of police brutality and official misconduct. The prospect of a not guilty verdict was virtually unthinkable, a stunning repudiation of what the nation has seen and heard, then replayed over and over again. The verdict was a profound injustice that left an indelible stain on the social fabric of America. We strongly repudiate the violence and the looting that resulted in the aftermath of the verdict. The loss of life was particularly tragic. However, it is not impossible to understand the frustration and the despair that provoked the almost complete destruction of home and community. It is the blinding rage of injustice that ultimately must be addressed.

African Americans were especially hard hit by the King verdict. For us the verdict was yet another reminder that being black in this country often means living under a different set of rules, and that the criminal justice system and other institutions can be perverted because of race. The King verdict is the specter of racial discrimination at its most blatant.

We know it will take, after the rebellion and violence that followed this unjust verdict, a powerful infusion of economic assistance and the milk of human kindness to bring jobs, growth, and peace to L.A. We also know that the problems of poverty, inequality, and discrimination are pervasive and persistent throughout the Nation. We're particularly disturbed by continued patterns of segregation and scapegoating and stereotyping that keep racial and ethnic minorities apart. African Americans, in particular, are the most racially isolated minority in this nation. Hispanics and Asians are much more likely to live near each other or non-Hispanic whites than are blacks.

We recently testified before the U.S. Congress about lending discrimination, mortgage discrimination, which results in residential segregation, which in turn continues the practice and the pattern of public school segregation. Out of that segregation there's a continuation of mistrust and misunderstanding for failure to have meaningful integration in this country. I would like to submit, for the record, a copy of our testimony about the despair and the impact of lending discrimination because there are particular instances of problems in L.A. that I think are particularly relevant. We also are aware that until the Nation makes a strong commitment to the reduction of discrimination—unless and until there is a strong commitment to deal directly with police misconduct—the appearance and the reality of injustice will further foster these tensions. I would also like to submit, for the record, a copy of testimony we have submitted with regard to police brutality and recommendations we have on how these problems can possibly be resolved.

While we are committed to the elimination of racial discrimination in all forms of American life, we know that it's going to take strong, vigorous enforcement of present civil rights laws. There has just been a retrenchment, a retreat from significant and needed enforcement of civil rights laws that are now on the books. We also strongly support economic incentives and initiatives that will generate a rise in minority entrepreneurship, home ownership, safe and strong neighborhoods, and quality integrated educational opportunities. Further, we demand a full census count of all minorities so that all minorities can obtain full voting rights and Federal resources.

The NAACP is aware that our new challenges must take into account that the growing number of minorities in a declining economy creates increasing competition for decreasing dollars in schools and universities, the workplace, the marketplace and, indeed, our neighborhoods. We are prepared to meet these new challenges. We have engaged, and will continue to engage, in outreach efforts with other organizations on a national and local level. We will also continue to work within coalitions of groups representing different cultures with common interests. We have done that on a number of legislative issues and economic issues involving civil rights and the economy.

The continuing racial disparities throughout our nation have helped to fuel tensions between members of various racial groups with regard to race-specific scholarships, affirmative action, the

allocation of Federal resources, and it goes on and on. It has also helped to increase feelings of disaffection by African Americans from the larger community, but we are prepared to address the concerns that have been raised by those problems.

We can begin the process of healing this nation through open and honest dialogue, but we cannot talk away the tensions. An infusion of economic assistance to the inner cities, civil rights enforcement strategies, and taking on the urgent commitment to the elimination of poverty, inequality, and discrimination must be embedded in the national conscience. Then we will begin to see a reduction of the tensions that are under discussion today.

CHAIRPERSON FLETCHER. Thank you very much. Could we have the next witness presentation, please?

MS. BOOKER. Mr. Kamasaki.

Statement of Charles Kamasaki, Vice President, Office of Research, Advocacy, and Legislation, National Council of Laraza

MR. KAMASAKI. Thank you, Mr. Chairman. My name is Charles Kamasaki. I am vice president for research, advocacy, and legislation of the National Council of LaRaza.

I would like to express the regrets of NCLR president, Raul Yzaguirre, who is not able to be with you today, but my personal appreciation for the opportunity to testify. I would note at the outset that my testimony will focus principally on intergroup relations, and within that framework, specifically on relations between Hispanics and blacks, the Nation's two largest minority groups. In that connection, we would note that we are presenting a narrow perspective. It is not meant to be comprehensive; it is meant specifically to focus on tensions.

Second, it is intended to be provocative, to sharply frame issues in ways that almost never find their way into the public arena. In doing so, we recognize that at this point in history we almost lack a language of public discourse in which to discuss these issues. But having said that, we believe that healthy, harmonious relations between the Nation's two largest minority groups are so important to the well-being of the Nation that we feel obligated, notwithstanding considerable reservations, to put these issues on the table. I would note that we start in dealing with race relations issues with two dominant paradigms. One might be able to erase neutral perspectives, which suggest that most of the social and economic disadvantage experienced by minorities is no longer attributable to discrimination. It suggests by implication that vigorous civil rights enforcement is perhaps unnecessary, and further suggests that race-conscious remedies are harmful. Specifically with respect to Hispanics, one variant of this paradigm, articulated by a former staff director of this Commission, suggests that Hispanics do not face substantial discrimination, and that any economic disparities faced by Hispanics are attributable principally or solely to immigration. Finally, it is argued that the very remedies proposed by traditionalists—vigorous civil rights enforcement and extensive domestic social programs—in fact, create a "victim mentality," which retards Latino social and economic progress.

There is a second paradigm, which might be labeled a traditionalist civil rights perspective, which suggests, that much, and arguably most, of societal inequality can be attributed to racial discrimination. It has as its fundamental policy thrust vigorous civil rights enforcement, including race-conscious remedies combined with a host of domestic social programs. This paradigm is frequently expressed, sometimes exclusively, in black-white terms. It assumes that discrimination is referred to primarily on the basis of skin color. Specifically with respect to Hispanics, it is assumed and frequently articulated that Latinos face only moderate levels of discrimination on the basis of skin color.

Dealing with these two paradigms, Mr. Chairman, we would argue that the two principal assumptions of the race-neutral paradigm are on their face inaccurate. I will not go through the studies, but I would just note that two recent hiring audits with respect to employment discrimination have found that Latinos in three different markets face a 20 percent chance of encountering employment discrimination. Similarly with respect to housing, Hispanics face a 50 percent or better chance of encountering discrimination when seeking housing. With respect to Hispanic poverty, as of 1990, fully one-quarter of all Hispanic families lived in poverty. On the question of Hispanic poverty and immigration,

suffice it to say that even when you remove the foreign-born entirely from the data, Latinos are still twice as likely to be poor as are whites.

In light of these and other data, the National Council of LaRaza believes it is inaccurate to suggest, and unreasonable to expect, that the path to full equality will not require some incorporation of the traditional civil rights and antipoverty agendas. Having said that, we believe equally fervently that the traditional civil rights and antipoverty agendas have failed to adequately or equitably serve the Hispanic community. With respect to civil rights enforcement, it is clear that for Hispanics, the current civil rights enforcement system is a sham. NCLR statistical analysis of the equal employment opportunity charge case loads reveals, for example, that at virtually every point in the process, Hispanics are underrepresented. Their complaints are closed without remedy to the charging party at a rate much higher than other groups. The EEOC litigates less often on behalf of Hispanics, and when it does so, Hispanics receive consistently smaller awards. The same situation exists with respect to the Department of Housing and Urban Development. Indeed, if the civil rights enforcement system applied the same disparate impact standard to itself that it expects employers and Realtors to adhere to, it would be forced to conclude, in our judgment, that it is itself guilty of discrimination against Hispanics. The evidence is just as disheartening with respect to many of the Nation's most important social programs.

For example, Hispanics constitute at least 13 percent of those eligible for Job Training Partnership Act services, but fewer than 10 percent of the participants. In 1989 Hispanics constituted about 19 percent of all families with below-poverty level incomes, but about 11 percent of the households receiving any form of housing assistance. Latinos constitute about 23 percent of those eligible for the so-called TRIO programs, including the Upward Bound program that former Commission Chairman Flemming mentioned, and less than 17 percent of the participants. The list goes on and on. We have documented levels of underrepresentation of Hispanics in the Job Corps, Head Start, preschool programs, college loans and grants, virtually the entire panoply of the Great Society and War on Poverty programs.

Given this record, no one should be surprised that Latinos are skeptical about the ability of the traditional civil rights enforcement and antipoverty strategies alone to effectively alleviate poverty and discrimination in the Hispanic community. For Latinos committed to the concept of equal opportunity, this situation is untenable. Moreover, it has led to a severe heightening of tensions between Hispanics and blacks in this country.

From the perspective of many Hispanics, in some cases the continuing black-white paradigm through which these issues are frequently discussed distorts and leads to fundamental misunderstanding of the Hispanic condition. In other cases, many Latinos believe that the black leadership is itself at least partly responsible for the inadequate civil rights enforcement and underrepresentation in social programs experienced by Hispanics. Permit me to explain. Many Latinos believe that the tendency to view all civil rights issues principally through a black-white paradigm distorts and retards public understanding of and support for the legitimate interests of Hispanics.

The historical discrimination faced by Latinos in the United States came about not through slavery and Jim Crow laws, but through equally malevolent conquests and less legalistic forms of discrimination. The motivation for discrimination against Latinos is not just skin color, but also surname, speech accent, language, and culture. A black-white paradigm is simply incapable of explaining and accommodating the more diverse experiences of Hispanics in the United States. Yet a review of the academic literature and the popular press on these issues, and indeed much of the discussion that took place this morning, reveals a sustained consistent reliance on this black-white paradigm in discussing race issues.

In addition, in far too many cases, many Latinos believe that black leadership uses its relatively greater political power to assert its interests at the expense of Hispanic interests. In my written statement we refer to comparisons between the levels of representation of blacks and Hispanic among elected officials and those in Federal civil service positions, State and local

government, and other areas. Many Hispanics believe that there is a direct proportional relationship between the relatively greater power of blacks and the documented severe underservice to Hispanics in civil rights enforcement and domestic social programs. In this respect, some Latinos perceive relatively little difference in the behavior toward Hispanics of blacks and Anglos. In both cases, these observers believe raw political power is brought to bear to deny equitable treatment for a minority group.

It would be a mistake, Mr. Chairman, to attribute these beliefs to just a small cadre of extremists. Let me give you some disturbing examples. A 1991 poll of Hispanics in Los Angeles found that 67 percent of Hispanics surveyed believed that "Hispanics have the most problems with blacks." The comparable numbers for Anglos and Asians were 14 percent and 4 percent respectively. In that same survey, 71 percent of the respondents rated relations between the Hispanic and black communities as mediocre or poor. In contrast, only 22 percent rated such relations excellent or good. A majority of 72 percent believed—this is a year ago—that some form of violence between blacks and Hispanics in the Los Angeles area that summer to be either very likely or somewhat likely.

In a series of 14 public hearings that have been held by the National Hispanic Leadership Institute over the past year, it is reported to me that perhaps the most consistent theme expressed by local Latino witnesses was the perception of "trouble" in black-Hispanic relations. This Commission, I know, needs no reminder of the civil disturbances that took place in Mount Pleasant in this very city a year ago. The National Council of LaRaza believes it would be both irresponsible and unwise to continue to ignore this issue. Despite our serious misgivings about raising these concerns in so public a forum, and with full knowledge that some may attempt to exploit these tensions in ways inimical to both blacks and Hispanics, we feel obligated to come forward and put these issues squarely on the table. Notwithstanding these tensions, Mr. Chairman, we maintain our belief that there is much more that unites black and Hispanic communities than divides them. We further believe that real, sustained, tangible progress in achieving equality for the Nation's two largest minority groups can be achieved only by working together. In this context, we are committed to taking every reasonable step that can help to alleviate growing tensions between the two communities. Among those steps, we believe is a need to redefine the civil rights debate. In an era of rapid demographic change, it is time to discard the traditional black-white paradigm which has dominated discussions of race and ethnicity. In short, we argue for the rejection of both of the principal paradigms which have framed our society's perspectives on these issues for so long. In developing a new vision for the future, we suggest a return to first principles, that as a society, and as groups and individuals within that society, we will continue to promote equal opportunity for all groups and will not tolerate discrimination against any group.

To these time-tested principles we would offer two others: A conscious acceptance of our current demographic reality that goes beyond mere tolerance to a deep appreciation of the ethnic diversity that will characterize our future, and a renewed commitment to root out discrimination, even when that discrimination may be perpetrated by protected classes themselves. Thank you.

CHAIRPERSON FLETCHER. Thank you very, very much. I am indeed pleased to have such a frank statement into the record. It is long overdue. Thank you very much.

MS. BOOKER. Mr. Kromkowski.

Statement of John Kromkowski, President, National Center for Urban Ethnic Affairs

MR. KROMKOWSKI. Thank you very much. The National Center for Urban Ethnic Affairs has been a civil rights and urban advocate, and technical assistance provider, for the last 20 years in older industrial cities of the northeast and the midwest. It's out of that experience that our reflections on the possibility of developing a new paradigm for understanding not only racial and ethnic tension, but racial and ethnic tension and discrimination, and the urbanization and metropolitanization of the American reality.

We find the central irony of this hearing is that a national perspective on poverty, inequality, discrimination, and on racial and ethnic tension in American communities yields evidence which is sufficiently strong in support of the

proposition that a national perspective on such concerns must become the local perspective. Thus, it is our hope that the national perspective proposed in the following findings, which I will leave with the Commission, because it has a rather substantial list of very specific items that I certainly want to summarize in my presentation, will initiate a process of reattuning the national institutions and policies to the realities of racial and ethnic tension, and readdressing the causes of poverty, inequality, and discrimination.

National assistance to distressed communities and marginated ethnic groups has been ignored and neglected for too long. The tasks proposed in most regards are beyond the capacity of the U.S. Commission on Civil Rights. Yet this Commission can catalyze initiatives which could begin national efforts in support of fruitful local strategies that overcome community tensions and persistent disparities. The following analysis, perceptions, and exhortations from the world of ethnic communities and neighborhoods that I have studied, and reports that I have collected and compiled, are submitted for your review. They indicate that throughout the country, over the last 30 years, we've learned a good deal about ethnic relations and the processes of nurturing community-based development. Thus portions of the following studies are submitted: *The Revival and Recovery of Neighborhoods*; *Immigration, Ethnicity and the Neighborhood Agenda: An Ethnic Perspective*; and finally, *Why 435: Rediscovering the Democratic Principal*. We feel these four arguments suggest pieces of a new vision and evidence of the local experience of building and nurturing ethnic pluralism and community-based approaches to overcoming various difficulties. What I mean to suggest is that it is time national leaders and national institutions and national resources supported and enhanced what we know can and must be done. A fresh approach to these issues will require, from our perspective, a three-part centerpiece, three new national efforts. First, we need to found national institutions that address the three central themes of our argument.

The first new national institution that this Commission, I hope, will bring to the halls of executive power and to the halls of Congress is the creation of the Geno C. Baroni Institute for Ethnic Affairs. So named for the late founder of multiethnic coalitions and a foremost national advocate of the national government's assistance role in affirming ethnicity and community self-help, the Baroni Institute would be a research and educational organization designed to develop and disseminate healthy understandings and articulations of ethnicities and wholesome approaches to resolving group tension. The institute would also create and generate a national network of culturally competent persons with coalition building strategies that could be used as resources and an extension service for communities throughout this land.

The second national institution that we feel is absolutely essential is the creation of the National Endowment for Neighborhoods. It will be chartered and capitalized by public and private sources as a national development bank and philanthropic institution. It would provide fiscal and technical assistance for communities that involve themselves in expanding ownership and participation. The National Endowment for Neighborhoods would have a long-term commitment to projects in community-based, nonprofit housing, education, cultural facilities, social and health facilities, economic growth, and safety in urban neighborhoods.

Finally, a third national institution would be called the National Forum on Representative Government. It would initiate explorations and examinations of additional approaches to popular participation in electoral representation, in legislative bodies and executive boards and commissions of all government and quasi-public major national institutions whose impact on the course of our shared existence and sense of trust and legitimacy demand ongoing resolve to build consensus and consent. Particular attention should be focused on: 1) the decline in urban representation in the House of Representatives; 2) the size of city councils and the importance of expanding the role of neighborhood organizations in municipal budgets and allocation of public services; 3) the disparities and fragmentation of municipal and surrounding jurisdictions. These and other concerns related to the furtherance of democratic and representational mechanisms of government are very important to our capacity to sustain self-government. Fashioning credible institutions to provide opportunities of shared citizenship may be the most important

process through which and in which we may be able to overcome our differences and the sources of group tensions. Self-government requires conversations, deliberations, and compromise, as well as faith in each other to uphold laws that we have participated in making.

Critics of proposals for the creation of new national institutions devoted to resolving tensions and minimizing disparities may argue there's really no need for concern. After all, America is doing much better than Yugoslavia. Such poor counsel repeats the all too common language of the 1980s: "be happy, don't worry." We must seek better and wiser counsel. We need to face systematic neglect of the work of coalition building and consensus enhancing. We have to work on expanding equity. These are important national concerns. The avoidance of remedies for disparities in access, recognition, and rewards, as well as the location of residents in areas of decline, is a national scandal. The U.S. Civil Rights Commission must recharge the debate that ended in 1980 on supporting people and places. The alarm has been sounded; the pretending that urban and ethnic policy could be put on automatic pilot must end. Some of us feel that it's still possible to regain the energy and momentum required to foster new social inventions in pursuit of democracy, in pursuit of economic development, in pursuit of cultural justice for all. These tasks can be achieved by adopting a hope-filled approach to understanding ethnicities and communities.

I think we must begin with finding a new commitment, perhaps one that begins by avoiding rhetoric that affixes blame and hardens the critique of past and present practices. Moreover, all Americans must disavow the divisive use of the past and selective memories of ethnic and racial oppression. Such misuses of ethnic energy and the invocation of tradition paralyzes our ability to understand and to act within the current and ongoing process of reconstituting democracy and cultural justice. I think that we have a long record of suggesting that coalitions can be developed, and we have some rather stunning examples at the local level. It seems to me, however, that we are consistently losing ground, given the demographic shifts and the clustering of some 40 types of basically segmented people. Based on segmentation, it is well-documented by housing costs, income, and education and achievement—we may, in fact, through this strategy—perhaps the elites of the nation that designed this strategy had a segmentation model in mind to, in fact, isolate and minimize conflict.

Once in a while, all too painfully we are jogged to remember and to see violent events at the intersection of class, ethnic, racial, and religious clusters. These are stunning examples of our failure to resolve tension, but I submit that an apparent peacefulness and harmony in isolation and segmentation is yielding much more profound deficits. We are destroying America's unique capacity to have a population that has second and third cultural confidence. How the burdens and benefits of this enormously wealthy and powerful country will be distributed in this ethnically, racially, and religiously, and economically and spatially differentiated country will determine how closely we will approach our civil pledge to each other to pursue liberty and justice for all.

CHAIRPERSON FLETCHER. Thank you very much. The next speaker, please?

MS. BOOKER. Ms. Kwok, if you would begin by introducing yourself for the record.

Statement of Daphne Kwok, Executive Director, Organization of Chinese Americans, Inc.

MS. KWOK. Thank you. Good morning, Mr. Chairman and members of the Commission. Thank you very much for inviting the Organization of Chinese Americans [OCA] to present the Chinese American and Asian American community's perspective on racial and ethnic tensions in American communities.

My name is Daphne Kwok and I am the executive director of OCA, a nonprofit, nonpartisan organization headquartered in Washington, D.C. OCA is committed to securing justice, equal treatment, and equal opportunity for Chinese Americans and eliminating ignorance about and bigotry against Chinese Americans. At this time I would like to commend the Commission for the recently released report *Civil Rights Issues Facing Asian Americans in the 1990s*. Your report accurately identifies and summarizes the key issues affecting the Asian American community, and it should be fully utilized in this discussion about racial tensions and how to overcome the issue.

As many of you may be aware, the Asian/ Pacific Islander [API] population has exploded within the last decade, an explosion which numerically is not at an overwhelming or threatening level, but which is a burgeoning statistic in percentage terms. According to 1990 U.S. Census Bureau data, the dramatic percentage increase of the API population since 1980 is 107.8 percent, the largest percentage increase for any group. The API percentage of the overall U.S. population increased in the last decade from 1.5 percent to 2.9 percent. We are concentrated in seven States: California, New York, Hawaii, Texas, Illinois, New Jersey, and Washington. The population increase within the last decade stems from the repeal of restrictive and discriminatory immigration laws that were in effect until 1952 when the McCarran-Walter Act ended the ban on Asian immigration. Only after 1952 were Asians allowed naturalization rights. But it was not really until 1965, only 27 years ago, when the 20,000 immigration visa per country system allowed Asians to emigrate to the U.S. on an equal basis with all other nationalities. Therefore, it is only in recent history that Asian Americans have been able to be naturalized, and able to participate in the immigration process just like non-Asians. Increased Asian immigration has also resulted from Asian American citizens and permanent residents utilizing the second and fifth preference categories for immigration visas. The second preference category is for spouses and unmarried children of permanent residents, and the fifth preference is for brothers and sisters of permanent residents. These two categories are heavily used by the Asian American population to reunify families, as the family unit is a high priority in Asian cultures.

For most Americans, the immigration history of Asians is not known, yet it is a vital piece of knowledge necessary to dispel the seeds for racial tension. With the unfamiliarity and misperception about Asians and their presence in the U.S., people can easily view APIs as overtaking the U.S. Because APIs are readily identifiable by their physical features, they have become an easy target for unpopular sentiment. The Asian American community faces an ironic and unique set of circumstances that causes racial tension. Asian Americans are subject not only to xenophobia based on the color of our skin and our different appearance, but we are also subject to the negative implications of some of our success. Racial tension against Asian Americans stems from the achievements of a few, which has resulted in the stereotype that now has Asian Americans perceived and depicted as "the model minority."

What is the "model minority" stereotype and why is it negative? The "model minority" myth describes Asian Americans as hardworking, intelligent, academic superstars, excelling in math and science, highly educated Ph.D.s, rich, who have good jobs and are successful, have no problems such as school dropouts, drugs, gangs, AIDS, and broken families. They are always polite and never question authority. The stereotype is very damaging because many Asian Americans do not fall into this category and their needs are unperceived and unaddressed. These sweeping generalizations do not factor in the social, economic, and ethnic diversity of the Asian/Pacific Islander community, which is composed of 27 different ethnic groups. Each group experiences its own difficulties and problems, depending upon the length of stay in the U.S., conditions upon their immigration to the U.S., cultural differences, education levels, etc.

The media has focused so much attention on the successful Asian American, such as the Southeast Asian refugee who fled a war-torn country and came to the U.S. with no English skills to become valedictorian of a high school class or college. Over the years, numerous front cover stories, like in *Time* magazine, and news stories on the nightly news have highlighted to the general public Asian American success stories. There are rarely, if any, stories about the other side of the Asian American story. For example, the Hmong people face incredible cultural obstacles once in the U.S. because their culture does not have a written language, while the U.S. is based upon the written language. The heightened media coverage coupled with very visible Asian immigration trends makes it is easy to understand why Americans feel like Asians are taking over the U.S.

How has this attention resulted in increased racial tension? Asian Americans are now being pitted against other racial minorities, primarily the African Americans and Hispanic Americans.

The "model minority" myth is being used by some people as the dividing instrument to drive a wedge between Asian Americans and African Americans and Hispanic Americans. The wedge is that Asian Americans are excelling on their own without any public assistance so why can't the other groups follow the Asians' lead. We must not perpetuate this divisive point. The historical background for each group and what they are still going through must not be forgotten. An example is Congressman Dana Rohrabacher's (D-CA) repeated attempts to single out the unfair use of Asian American quotas in the college admissions process. He wants to see that Asian Americans are getting their fair shake in the process while not assisting the exact same needs of the other disenfranchised groups. On March 26, 1992, OCA members of the Asian American community and the Asian American members of the House of Representatives loudly voiced our opposition to the Rohrabacher amendment that would have pitted Asian Americans against our minority brothers and sisters who also suffer the same injustices in the admissions process. OCA believes that Asian Americans are not the only race to be affected by racial discrimination in higher education, and that singling out Asian Americans in the discussion is extremely divisive. We do not want any special treatment at the expense of others. Congressman Rohrabacher needs to address the admissions process for all groups, and not just for one targeted group. We do not want to be the cause for further resentment towards Asian Americans; yet, others in their actions have caused potentially divisive sentiment.

Another example of the negative effects on the minority population is the myth that Asian Americans are not affected by discrimination and civil rights issues; therefore, they do not need assistance or need to be a player in such matters. Most recently, the L.A. riots are a glaring example of the need for all community members to be involved in the process of rebuilding, healing, discussing, planning, and preventing future acts. Many times Asian Americans are left out of the discussion as they may be perceived as unaffected. When President George Bush called a meeting with African American community leaders shortly after the riots, it was natural for outsiders to surmise that the meeting was to discuss the L.A. riots. The meeting was described by the media as a "civil rights meeting," in which a member of the Hispanic community was able to attend only because he requested to, but in which no Asian Americans were part of the table. Now, if this was a meeting to dispel racial tension, the President should have recognized a need for all players to participate. Perhaps the Asian Americans were assumed to be able to rebuild their losses and to take care of themselves since they are all industrious and hardworking.

Solutions. The best place to start to reducing racial tensions is for everyone to read the Commission's *Civil Rights Issues Facing Asian Americans in the 1990s* report. Through the reading, one will be able to learn about the problems that Asian Americans face and the realization that Asian Americans are just like any other Americans. The second step would be the implementation of the Commission report's recommendations. This would be a logical place to start from, since issues and solutions have already been identified. For example, several recommendations state that all levels of government need to recognize Asian American inclusion in all policy discussion and programs. The government and our leaders need to set the example in dealing with inclusive and nondiscriminatory policies.

Third, we must dispel the "model minority" myth when speaking about, writing about or thinking about Asian Americans. Finally, and most importantly, when we talk about race relations and the need to quell racial tensions, we need to remember that race includes not only African Americans and Hispanic Americans, but also Asian Americans and Native Americans. Asian Americans need to be part of the decisionmaking process, and need to be seen as capable players with an equal stake in the discussion. Today and tomorrow's Commission hearing demonstrates the Commission's seriousness in addressing the racial and ethnic tensions by involving the participation of all sectors of the community. OCA and the Asian American community is more than willing to provide assistance addressing racial tensions. We need to all work together to continue to learn more about one another and to bring more and more players into the picture. I thank you very much for providing us the opportunity to address the group.

CHAIRPERSON FLETCHER. Thank you very much.

MS. BOOKER. Mr. Mokhiber.

Statement of Albert Mokhiber, President, American Arab Anti-Discrimination Committee

MR. MOKHIBER. Mr. Chairman, Commissioners and distinguished panelists, I am Albert Mokhiber, president of the American Arab Anti-Discrimination Committee, an organization that has 25,000 members nationwide and 70 chapters across the United States. We have testified before you in the past and we appreciate the opportunity to be included again today.

I welcome the opportunity to examine with you the grievous consequences that poverty, inequality, and discrimination have inflicted on our society, as well as on most other nations. These issues were recently addressed by ADC at our national convention, which drew thousands of Arab Americans together to discuss our theme, "Civil Rights at Home, Human Rights Abroad." Over and above the current moral crisis and the turmoil facing this nation stemming from the brutal beating inflicted on Rodney King, the issues before us today are long-standing. They are not likely to be eradicated until some remedies are formulated from probing analyses such as that initiated by this Commission today, and until deep and fundamental change is introduced into the very fabric of American life.

As a nation, we have learned a bitter lesson in recent decades which underscores the fact that neither the impact of the law, nor the putting in place of ad hoc interim programs is sufficient to undo the evils or the consequences of 500 years of deeply entrenched inequities rooted in our society. When Arab Americans, whose problems I specifically bring to you today, first saw the ghastly media reenactment of the Rodney King beating, we were reminded forcibly of the daily treatment of the Palestinians of the occupied territories at the hands of the Israeli military occupation forces. We could not easily distinguish the violence inflicted on the American highway in southern California from the daily acts of aggression and torture suffered on the highways and byways of South Africa. This was underscored for us again 2 weeks ago by the Reverend Alan Bozak, who came from South Africa to address us on these very issues.

During 1991 the Arab American community was gripped in crisis, nationwide, as a mounting spiral of hate crimes, violent assaults, arson, and threats of violence accelerated to an unprecedented increase of 300 percent in just a 12-month period. I would like to also introduce into the record the 1991 report on Anti-Arab Hate Crimes, which documents all of these problems that we were facing as a result of the Gulf War. As you can see, from the outset of the war in January to the end of March and April, there was a decrease—which shows that there was a direct correlation between hate crimes against the Arab American community and the Gulf crisis. We, in effect, became the domestic casualties of that war. We have noted this back to 1985, when we first started reporting hate crimes against our community, when on October 11, 1985, our regional director, Alex Odeh, was assassinated.

There had been attacks before, there had been discrimination, there had been disenfranchisement from opportunity, but never had the incidents of terror and street violence been visited on this community in such numbers and at such a level as during the Gulf crisis. While the violence has subsided for the most part since the end of the war, the discrimination continues. Just last week an Arab American had gone to register to vote in New Mexico and was told that under the laws of New Mexico, an Arab American from Palestine could not use that appellation as a country of origin. This Jewish American registrar barred the Arab American from registering. Fortunately, the attention of the authorities in New Mexico was brought to this issue; the applicant was able to later apply for a registration, and that individual was taken off of the roll. However, it shows that this is an ongoing problem; it's something that doesn't end with the violence. It's festering day in and day out.

Our community is a victim of a bifurcated problem. We suffer from effects in a larger society of both racial and religious stereotyping, as well as from politically motivated discrimination and acts of terrorist violence. The frequent media approach to Arabs rarely shows us as ordinary citizens with understandable life goals and aspirations. We are more frequently

characterized, as are Asian Americans and other minority groups, as villains who pose a threat to society at large and who, because of unfathomable motives, seek extraordinary power or riches, with no limits to the greed or corruption accompanying that alleged quest.

Our women are portrayed either as belly-dancers and promiscuous or as veiled women. The Arab image is one of somebody with millions of oil wells, with thousands and thousands of excesses, never as the people we know who are Arab Americans today—the Ralph Naders of the world, the people who are leading our community, and our average people who are blue-collar working-class people, as well.

Our community suffers from a type of media scapegoating and distortion of imagery similar to that which is inappropriately and consistently vented on the Native American, the African American, American Jews, Asians, and others. This type of imagery is used to defame the ethnicity and racial character of Arab Americans, as well as religious practices and moral precepts to which many of our community subscribe.

While Islam is not the sole religion of our community, it is the religion most often targeted for acts of violence and desecration. The bombings of mosques, attacks on visibly practicing Islam, and the ridicule of Muslim religious practices should not be condoned by this or any other society. The inaccuracies and misinformation about Islam, and Arab Christianity for that matter, are rampant in this nation's textbooks, on our campuses, in seminar rooms, in classrooms, as well as in the media and government. They do not speak well of our society and they auger ill for future generations for whom America is now preparing leadership.

I might add at this point that this is not an indictment against American society alone. We have seen this throughout history. That does not mean we can't deal with it head on. Just this morning's *Washington Post* noted that there were problems of second generation Arabs living in Europe, and in particular, France. During the Gulf crisis we saw things that we would never have seen anywhere else, in particular marketing techniques such as Shi'ite toilet paper. You would have never seen Jewish toilet paper or Christian toilet paper, and you shouldn't have, but it was okay to go after the Arabs and the Muslim religion.

The politically motivated violence lodged against our organization, and the Arab American community in general, is a scourge that must be halted. I refer specifically to the bombing of ADC's offices in Boston, Los Angeles, and a suspicious fire here in Washington [D.C.] in 1985. As I mentioned, the October 11 bombing in Santa Ana, California, took the life of Alex Odeh, a peace activist, a father of three young children who, unfortunately, was lost to us because he was a peace activist. There has been an ongoing investigation by the FBI since Alex's assassination with the suspects, all of them U.S. citizens, reportedly being harbored by Israel. However, Israeli authorities have not yet cooperated with the United States law enforcement agencies to return these suspects in order to bring the matter to justice.

If there was one specific instance of remedy which I would call upon this hearing to address for Arab Americans, it would be justice in the case of Alex Odeh. As you may recall, we did testify several years ago before this very Commission on this issue. Unfortunately, this morning I received word from a reporter from the *Baltimore Sun* in Jerusalem that one of the suspects in this case has been nominated to run for the Knesset this morning.

Certainly, we have to question whether the problems of the Arab American community are unique to a particular sector of American society, or whether the attacks on our community are somehow related to an overall systemic failure to overcome the social and economic disparity, the prejudice, discrimination, and violence endemic in our daily life. Are the reverberations felt in the Arab American community generated from the same residues of neglect and trauma that characterize the life of the Nation? Are there symptoms, root causes, inappropriate remedies in place that we can define, delineate, and begin to correct that may lead to new approaches of redress and reconstruction?

It is our contention that several avenues must be addressed both in our community and in society at large to meet the crisis of the moment and to prevent problems in the future. Among these I suggest the few following and I would say I probably would endorse most of the others that I had

heard this morning which were very, very thoughtful and probing. One, we must devise solutions to our national experience of alienation and social inequality. These solutions must be grounded in the reconstruction of our nation's economy and the political lives of American workers and their families, strengthened by governmental and private sector support, rather than weakened by poverty and institutionalized neglect, institutionalized racism, negative stereotyping, bigotry, and violence, whether they be in government, media, corporate America, or other sectors of society. I should also add, during the Gulf War, many people in politics came to our aid—Norm Mineta, in particular, a member of Congress, somebody who was incarcerated during World War II because of his ethnicity, because he was Japanese American, came to our aid—as did many of the Hispanic, African American, Asian groups, others who are here with us today, and I am very grateful to them. However, we were very dismayed to hear many of the politicians who made anti-Arab jokes during that period and the Marine Commandant who made a very offensive joke the very same week that the first Arab American died in defense of the United States during Desert Storm.

We must begin to teach the teachers about the benefits of the cultural diversity of this great nation and ensure that today's children grow to be the tolerant and progressive leaders of tomorrow. I would also add that we need hate crime legislation. We must begin a dialogue within and across all of the multivariant and multiethnic sectors of the society in order to diffuse existing tensions and instill mutual understanding and tolerance.

Finally, we must assure that this Commission takes advantage of all who testify before it today, and those who are unable to be heard, by convening a national task force to fully address the problems at hand and to work for long-term solutions. To conduct hearings is commendable; to follow up and make real change is required. Thank you for providing me the opportunity to present these views and perspectives on the serious civil and human rights issues confronting us all.

CHAIRPERSON FLETCHER. Thank you very much. Carl will start the questioning first and use as much time as you like and if you're not ready I'll let somebody else go.

COMMISSIONER ANDERSON. Let me ask a general question for any members of the panel, especially Chairman Flemming. We had two different panels here this morning, and each panel seemed to have a very different message. Can you help us try to relate what was being said during panel one with much of what's been said in this panel?

CHAIRPERSON FLETCHER. Was anyone here that heard the first panel that would like to respond to that, please? This is your chance, John.

COMMISSIONER BUCKLEY. You already said you heard the first panel.

MR. KAMASAKI. Yeah, I guess that was a mistake. I heard the first panel arguing passionately and, I think, correctly that as a nation, we have ignored and neglected the discrimination and poverty, principally in the African American community and principally over the last 10 years. I don't find that at all inconsistent with what I believe is an equally important point—that civil rights issues are no longer just black and white issues. And I must believe, being in the civil rights business, that there has to be a way of accommodating and addressing both of those messages simultaneously.

CHAIRPERSON FLETCHER. Thank you. Esther?

COMMISSIONER BUCKLEY. I pass.

CHAIRPERSON FLETCHER. You pass. All right.

COMMISSIONER RAMIREZ. Well, I am not going to pass because this is a very important time, and I think that the perspectives brought by the panelists are at the center of how we look at the next 100 years, how we look at the next 50 years, how we look at the next 20 years. We heard this morning a statistic that by the year 2050, half the population of this country will be made up of people who are members of what today we call minority groups. We had the assertion that that may not be the case because some may pass, as time goes by, into other classifications. I think we also had a refocusing of the current problem as embedded in the historical institutional practices of discrimination between groups and the persistence of those historical practices both at the institutional and the collective cultural levels.

But here we have a group of individuals who have come to this appropriately, I think,

bringing group-specific views, and the question really becomes how do we put it all together? We have the historical discrimination which, contrary to what was said earlier, is one that has had its manifestation among most of the groups that are represented here on this panel. We have the historical discrimination; we have the persistence of that historical discrimination; we have new immigrants who are members, according to race and ethnicity, of those populations that were historically discriminated against who are coming in to a different reality than the one that those groups that had been here historically have experienced. How do we create a paradigm for moving forward that puts these different groups at the center of our national concern and our national thinking so that we can then resolve the persistent effects of historical discrimination?

I guess I'd like to hear what you all have to say about how we attend to the separate parts, and then how we create a whole from the separate parts, a whole that is just and a whole that works for the society.

DR. FLEMMING. Mr. Chairman, I can try to address that question from Commissioner Ramirez, a former colleague on the Commission when I was here and who I appreciate very, very much. I need to be specific about that. I stressed in my opening statement the lack of staff, the lack of resources to carry out both the programs that give right of access and the programs that give opportunity for access. I endeavored to point out that when we go to the Hill, we're told that our ideas are good, but where's the money coming from? We can answer that question and we should answer it. If we don't answer it, we're not going to make any progress because we've got plenty of proof.

Let me give an illustration. For the last 2 years I have shared this Chair with a committee of experts for the Supplemental Income Security Income Program. In connection with that I've visited local offices in the 10 regions; I've met particularly with the claims people who have to deal with these specific cases. We're about to make a report, but one of the things that we're going to say in it—one of the recommendations we're going to make—is that we take a major step in the direction of dealing with an understaffed agency.

In the early 1930s they had 80,000 in this agency. They decided, because of computers, that there should be some downgrading. According to the GAO, they arbitrarily agreed on 21 percent; they reduced it to 63,000. I have all kinds of evidence, as a result of my own personal experience, that it is a seriously understaffed agency. When this administration submitted its budget for 1993, it said that at the end of 1993 they were budgeting for a backlog in disability cases of 1,400,000. It is just incomprehensible to me that an administration would ask the Congress to maintain a backlog of 1.4 million. Today we've got 800,000; it's going rapidly to 1 million; and if we don't do anything, we will go beyond a million four.

As a result of that deficit and as a result of the strain on resources, they are not able to deal effectively with representatives of various ethnic groups who come before them with cases, not commanding the English language and so on. They should have a great many persons on the staff who are capable of interpreting the various languages, capable of working in the various languages, but they haven't got that. I've visited offices where they have no one who understands the Spanish language, let alone the many Asian American languages that are at stake.

I am sure that a great many people are alleging discrimination against ethnic groups in the disability realm. There may be discrimination at various points, but the reason for their allegation of discrimination is that there is inadequate staff. The present staff can't possibly handle the backlog that exists. If we had more money in this nation, we could focus on staff and provide adequate staff.

I'll give you an illustration of the study that the Congressional Budget Office just made drawing on Census Bureau and IRS [Internal Revenue Service] data. They studied the after tax income of households from 1977 to 1989, and they discovered that, as far as the upper 1 percent is concerned, their after tax income doubled from 1977 to 1989. They've also discovered that in that 1 percent is 60 to 70 percent of the increased work during that period of time. The middle class, middle fifth, only experienced an increase of 4½ to 6 percent, and the lower class experienced a decline of 9.1 percent during that same period of time.

We are a nation where the rich are getting richer and the poor are getting poorer. We will have all kinds of discrimination under those conditions because we do not equip ourselves to deal with the problems adequately. We can have fine ideas, but we will present them to the Congress and the Congress will say that's a fine idea. Where do we get the money? Well, we've got, as advocates, to be in a position where we can answer that question, and where we can challenge them to get the money from some certain source.

I feel that only as we get adequately staffed can we possibly get the kind of integration that you were talking about. It seems to me that we have to be staffed to deal with individual cases, deal with them thoroughly, and that out of that will grow a pattern of not discrimination but nondiscrimination. But we've got to have the staff resources to deal with individual situations on an individual basis. That's just one illustration. I think the situation in the Social Security Administration represents a real possibility of a break down in the governmental process simply because of the fact that we have a group of people who are trying to deal with it and find it absolutely impossible to deal with.

MR. KROMKOWSKI. It seems to me that the scenario also feeds on itself. That is, when the process begins to break down, then the ideological dimensions that the government never worked anyway get kicked in. When that happens the cycle of disconnectedness, of paralysis, of alienation becomes deeper so that at bottom the question is how do we, in fact, recapture the sense that we must govern each other and that governing the resources of the Nation is part of the general sense of being a participant in the shared sense of being an American citizen.

There is a profound sense among people in urban life, with 78 people on the Hill who have urban constituencies, that this is an utterly impotent group of persons to, in fact, move a national agenda. Thirty-five years ago there were probably 150 urban people, and every Senator was interested in an urban agenda because of urban political power that, in fact, drew government closer to people to provide what people decided was important.

Today, we are in the hangover of a period of deregulation. We were concerned, at the beginning of that period, about the reinvestment in urban neighborhoods. Then the entire savings and loan industry disinvested all of America. So the issue is not simply being on the Hill. While that's important, the fact is that we don't have the connection mechanisms between persons who are systematically involved and the consequences of the system that has pitted people against each other. As you diminish government efficiency—the entire Senior Executive Service, my understanding of that situation is that it is gone, it began to crumble 12 years go—without that sort of competency you have a self-fulfilling spiral of despair and that is a very, very serious systemic issue.

Civil rights began with a particular set of concerns, but, at bottom, civil rights in the broader sense mean the basic sorts of things that are part of participating in governing yourself. We are squandering that.

CHAIRPERSON FLETCHER. While you're at it, would you speak for just a moment on your perception of the Community Reinvestment Act and the roles that the financial services industry can play with regard to it?

MR. KROMKOWSKI. It is an absolutely essential piece of it, piece of regulatory power for the Comptroller of the Currency. That is still not a vigorously enforced aspect of our strategy for making the distribution of capital more equitable in this country. That's one mechanism. But the fact is that without creating the capacity where people at the community level are able to use capital, one comes up with bizarre kinds of circumstances—a pledge by a major international bank for billions of dollars of investment but no takers. Have you all heard that story before?

COMMISSIONER RAMIREZ. If I may, Mr. Chairman?

CHAIRPERSON FLETCHER. Please do.

COMMISSIONER RAMIREZ. I think this is a very important discussion and maybe our last chance to have it. As I look back over the last 25 years at Model Cities, at urban renewal, at Community Development Block Grants, at all of those programs that sought to revitalize in some way either a downtown or an inner-city area, I am impressed by the consistency with which the poor in communities themselves have been consistently left out of participation in any of those programs. At the moment at which that specter

of big Federal money comes into play, you have—I call it the tight circle of financial interests that are there to take advantage of that. And what you have as a result of that, I am sorry to say, is evidence of waste that far surpasses, in my view, the waste that we have seen in what are called the traditional social programs. I am very concerned that the focus strictly on economics of rebuilding Los Angeles or rebuilding any other urban center will lead us down that path again and that 10 years from now not only will we see failure, but we will see waste equalling that of the S&Ls and equalling that of the HUD scandal and a number of other programs. I would like to hear your views on that.

CHAIRPERSON FLETCHER. Please do. Chairman Flemming, please do.

DR. FLEMMING. I was very much interested in the idea that was presented for a neighborhood corporation. My mind went back to the days of OEO when we did emphasize the development of neighborhood corporations. That idea has been lost somewhat in the last 12 years, but the Ford Foundation has a Local Initiative Support Corporation which is designed to revive this idea, the Ford Foundation with various insurance companies and other foundations. They have a local branch here and a local program here in Washington, D.C., of which I've been chairman for 8 or 10 years and we have been able to be of help to Marshall Heights here and to the H Street Corporation and so on. We haven't made a dent as to certain other parts of the city, but I really believe that programs that emphasize the neighborhood and the desire to get action at the neighborhood level are very, very important. But those programs have got to be supported. You've got to have adequate resources backup to make them work. I am sick and tired of the business of saying that certain programs have failed and haven't worked when nobody has put adequate resources in with those programs to make them work. It seems as though the people who are criticizing them welcome the opportunity of criticizing and fail to give them the adequate resources that they need.

COMMISSIONER RAMIREZ. We are pressed for time and my colleagues still have questions, perhaps you can have a chance to answer that.

COMMISSIONER BERRY. Well, I was going to let him answer that first.

COMMISSIONER RAMIREZ. Okay. Answer that.

MR. KROMKOWSKI. I agree entirely that this model is certainly a major effort in this regard. There is absolutely no doubt that community ownership of housing—the community—developed housing projects—are perhaps the only way of assuring that low- and moderate-income people do have housing that they can participate in, and that, in fact, these programs have not had the kind of national support that they deserve at any point, with very modest activity during the neighborhood self-help days.

Even today with the Neighborhood Demonstration Act, $2 million is generating, leveraging hundreds of thousands of dollars. Those kinds of activities are at the core of building cities and building healthy coalitions among various populations that make up the wonderful possibility of diversity that urban life offers. But instead we have been—neighborhood people and ethnic populations and communities—have been pitted against each other and manipulated by highway builders, by downtown projects that take out neighborhoods, by the disinvestment of neighborhoods, by the inability to buy insurance in neighborhoods and, in fact, even by scholarship that invites us, that seduces us, to look at the big picture.

I mentioned creating a national institute that would look at and help people understand ethnicity, the Geno C. Baroni Institute. When Geno Baroni came to this town, he thought he was going to save the world. He ended up saying that it was just important to save one neighborhood, one neighborhood at a time was the way you would attract and develop healthy cities. You only, in fact, destroyed cities by allowing neighborhood deterioration to go unchecked. Often the cause of that deterioration was systemic. It is a major strategy to depopulate areas, to deindustrialize areas, to pit people against each other, and in that wreckage we have the situation that we're looking at today.

COMMISSIONER RAMIREZ. Thank you very much. Let me yield to my colleague, Commissioner Berry, and then we will get back to me.

COMMISSIONER BERRY. I had a few questions. I'll try not to take up too much time. The first one is on this line of questioning that's going

on now about programs and funding programs. My colleague, Commissioner Redenbaugh, just whispered to me something that I was about to ask, so it's my question and his.

Isn't it true that there really isn't any consensus in this country to support the kinds of program initiatives you are talking about? We've been talking here about leadership, about Presidents, you know, Reagan, Bush, what's happened in the last 12 years. That's all true, but when people were talking about doing something about Los Angeles, Newt Gingrich (R-GA) up on the House floor the other day said, there was no constituency in rural and urban and suburban America to do anything about cities.

So isn't it really true that one of our problems is that, while we all might think that these are or some of us might think that these are all things that need to be done, and I agree that they need to be done, that there just isn't any consensus and our main problem is trying to figure out a way, on this Commission and other places, to generate a consensus to do something about it. That's the first question I have and then I have another one. Okay, anybody who wants to address that.

MR. MOKHIBER. Let me just offer this because we're going to the prior question as well. One way to obtain that consensus—and, I think you're probably quite right—is to invite to hearings such as this not only panelists of various organizations, but the people who are actually involved, the people on the ground, and fill this beautiful auditorium with government bureaucrats, who ought to be hearing this absolutely sparkling demonstration of insight. These are the people who need to know. The consensus has to have a consolidation of the government officials; there has to be some coordination amongst the various government agencies.

We talked earlier about Arab Americans passing into minority status and out of minority status. At the turn of the century, when many of our grandparents came here they were minorities and they faced discrimination. When my generation came around, it wasn't so bad. Now there's a new influx of new immigrants from the Middle East, in my particular case, who are again facing it. So you see people thinking "the Lebanese, they've made it quite well, they don't need help." So the Immigration Service isn't very forthcoming. You go to the Small Business Administration and you're denied because the Southwest Asian, North African sector is neither Asian nor African according to the government, so you're chopped right out of the process there.

The consensus building has to be done with the people in government in concert. I would hope that we could go forward after these 2 days and build that consensus by having another ongoing set of meetings, perhaps in cities across the United States, where people who are in the cities who are facing these problems could be part of the Commission's deliberations.

MR. HAILES. We certainly know that there is no consensus, as there should be, for a commitment to the kinds of dollars it's going to take to rebuild, to restore, and to maintain the strong neighborhoods in the inner city. We shouldn't be surprised that, I think, 20 percent of the lenders nationally who have the lowest ranking status over the last 2 years under the Community Reinvestment Act are in Los Angeles. We're concerned about that. We're concerned that there's a continuing scapegoating of minorities in inner cities that causes the lack of a consensus. People often state that too many dollars are going to the urban centers, and for that reason, there is the statement you have generated by Newt Gingrich and others.

COMMISSIONER BERRY. What about the idea of dispersing—trying to disperse—racial minorities and ethnic minorities out of the cities? I read an article here, and somebody was proposing that what we need to do is, instead of concentrating on trying to do something about cities, let's figure out some way to spread people out or have metropolitan governments in some of these places that will do something. Do you think that would be a solution?

MR. HAILES. I certainly think that would help. The NAACP has been engaged in litigation efforts to deal with residential requirements for employment opportunities in the suburbs. We believe that the beginning of job opportunities made available to minorities in the suburbs could lead to residential integration at a later point. It starts with making jobs available to those that are presently in the inner city, making them available in the suburbs, and that will increase, I think, the dispersing of minorities throughout the suburbs.

COMMISSIONER BERRY. My other question is a somewhat touchier subject, but I am going to ask it anyway because I think it's important. It is true, as Commissioner Anderson said, that the earlier panel seemed to take one direction and this one seems to be taking a different direction, and I think that's inevitable because we have people who are talking from different organizations or perspectives.

But at least in the case of Mr. Kamasaki's testimony and to a lesser extent, Ms. Kwok's, I got the impression that the major problem is not any tensions between whites and Hispanics, or whites and Asians, but the major problem in the Hispanic community is tension between Hispanics and blacks and that everything is okay with the Anglos. As I listened to the data that you cut off, no problem. To a lesser extent I got that impression from Ms. Kwok's testimony.

I was noticing when you were testifying, Mr. Kamasaki, that the data I am familiar with indicates that at the EEOC, for example, most of the backlogged complaints they have over there are sex discrimination and age discrimination complaints, not race discrimination complaints at all. They're not about Hispanics or blacks.

That Job Training Partnership Act—most of the people who are in there are white, poor whites, then some blacks and other people, but the way you were describing the programs and the college loans and grants programs—Pell Grants, I know, are just about an entitlement—I couldn't figure out what it was that blacks were depriving Hispanics of that was this major issue, that was even more important than the Anglo-Hispanic issue. Then I had another problem because I thought that some Hispanics were black. That may be wrong, but I know some who say that they are Hispanics who are black, and I wondered if they thought that blacks were their major problem and whether I was drawing an incomplete inference?

My overall question for both of you is that the earlier panel, particularly Professor Hacker, said that one of our major problems is not to obscure resolving the black-white problem in America as we address the problems of different immigrant groups who come, and that our history is that, in the past, we have permitted that obscuring to take place time and time again. He talked about Irish people, Italians; he talked about all kinds of people in our history, and that one of the major issues today is how do we keep that obscuring from happening again. I ask Mr. Kamasaki first if he would like to address any of that?

MR. KAMASAKI. I certainly can't address all of it. Let me try and address some of it in relatively limited time. If the question is, "are black-Hispanic tensions the principal problem facing Latinos?" I think clearly the answer is no. "Is it a critically important one?" I think the answer is yes, and I say that for several reasons.

One: we start from the notion that it will take, at a minimum, coalition, politics, and effective coalition among minorities as a first step to getting a broader consensus in the rest of the country. What we are telling you is that the black-Hispanic coalition is one that is very fragile and very vulnerable and in serious trouble.

Second: with respect to the question of obscuring, I guess we have a difference on the merits with that paradigm. If the argument is that discrimination against blacks predated that against Hispanics, or that somehow Hispanics are a new population and, therefore, it is a new problem and it should wait in line, I think that the 25 percent of Mexican Americans who trace their ancestry back to before there was a United States, and the Puerto Ricans in this country who became Americans by conquest in the early 1900s, would dispute any notion that they are somehow newcomers who do not have some original stake in the question of race and ethnicity and discrimination.

I think they would further argue, as someone—I think it was Ellis Cose who has written a terrific book about immigration, but who I am going to have to talk to later—said something to the effect that with intermarriage and so forth lots of immigrants, Hispanics and Asians, are going to be considered white. The point I would make is, there may or may not be some of that and they may or may not consider themselves whatever it is they consider themselves—a good portion, by the way, of Hispanics check the other race category on the census—but the point we are trying to make is discrimination isn't just on the basis of skin color. Even when you intermarry you retain certain physical characteristics; even when you intermarry the children of those products, at least in half of the cases, are

going to have ethnic surnames. Frequently, they will retain other elements of their language and culture and speech accent and those—the data demonstrate, I think, without question—are the bases for discrimination against Latinos and Asians.

On the last point with respect to what are blacks depriving Hispanics of, I guess I wasn't being clear in what I was saying. We argue there are two issues: One is that the continued exclusive focus or principal focus—perhaps the mirror image of the obscuring problem that you're referring to—denies understanding of, and therefore support for, policies to address discrimination faced by Latinos.

I think we make a second argument that there is in the EEOC—I do know the data well—black complaints do constitute a plurality of complaints. It is true that the majority of participants and virtually also in the welfare programs are white, but it is also true that in at least the programs that we have conducted analyses of where Hispanics are underrepresented, in most cases blacks are overrepresented in comparison to their proportion of the eligible population.

The point I would make is: We're not arguing that people are wrong or evil because they act that way; we are saying they are unwise. When I made a reference to returning to first principles, nobody has a problem with saying, well, everybody ought to have equal opportunity and we ought to root out and fight discrimination no matter who is the perpetrator and who it is perpetrated against. I think our problem is we have trouble acting on those principles and I would say that is not a racial question; that is all across the board.

I noted the example of Mount Pleasant in this city and I was very troubled by some of the reaction to the requests made by the Latino Civil Rights Task Force that seemed to suggest, sure, we would like to give you equal treatment and equal services, but you know, you're going to have to find a way to do it so that it doesn't affect what the black community is getting. That doesn't sound like equality to me.

I would note, however, in fairness that this is not just a black issue. We have a place in south Florida called Miami where we have Latinos in power, and where we have been very troubled by many of the statements and sentiments and actions and policies emanating from what amounts to a Latino-controlled city and municipal government. Some of my Cuban friends will be upset with me for saying it, but I think some of the same things that we are saying that took place in Washington, and that take place now in Chicago and New York and Houston and other places, we find taking place in Miami. The problem is not the individuals or the groups, it's that we are somehow failing to act on the basis of our principles.

It seems to us that it's hard to make a case to the larger American public that these are important principles if, when we get into power, we don't act on those principles, but we act just like everybody else.

DR. FLEMMING. Commissioner Berry, if I could go back to your original question which I interpret is it possible to win a consensus? We don't have a consensus today. Is it possible to get one? I feel that we are gradually getting a consensus that we must have additional revenues for domestic programs. I think we're going to have a domestic fund on the Hill, and then comes the question, "How are we going to use it?" Are we going to be able to get a consensus on how to use it? It seems to me that at that point ethnic groups should really unite and insist on the fact that additional revenues for domestic purposes be used to accomplish the kind of consensus that you are arguing for, if I interpret you correctly.

COMMISSIONER BERRY. Right. You do. I appreciate that, and you do interpret me right. In the interest of time, I did want Ms. Kwok to answer, not just that, but I'll ask her another question, which is more important, given her testimony. I do understand Mr. Kamasaki's testimony, but much of it reminded me of people on campuses where 90 percent of the money goes to something that has nothing to do with blacks and there will be a 10 percent program for African Americans or something. Instead of asking for some of the 90 percent, other groups say, why don't we split it, you're getting 10 percent, why don't we divvy that up. We need to get more of that 10 percent. Really what they should be doing is asking for more of the available pie. I am sure he would agree with that. So that was the point I was making in my questions.

For Ms. Kwok, my last question is this. It is, indeed, true that some Asian Americans are a

model minority. That is factually correct on all of the measures that you mentioned in your testimony. If that is true, why can't we highlight those who are a model minority and organize some of what makes them a model minority so that they might teach it to other people who are not and use them as an example.

I understand the downside you're talking about in doing that. But what is wrong with our highlighting those who are and simply saying, maybe you should try to have some of that rub off on some people who are not a model minority?

MS. KWOK. Well, I think it's true that what they can offer to the community and to the country is very positive and we are being looked to in many ways: what are we doing right or how can other groups emulate what we have done? I think that in an overall context, the problems that we do face—the part of the Asian American community that does have those problems—get forgotten about and they do not necessarily get the access to many of the social programs that are available.

Yes, we can highlight the successes of those that have made it and the driving force behind that, but I think we also cannot forget about the other half, too, and I think that, throughout the country, a lot of that is being lost.

COMMISSIONER RAMIREZ. Are there any other questions?

MR. KROMKOWSKI. Just a comment. I think that Ms. Kwok's response and your question suggests how complicated and how contextual the use of ethnic stories is. We have a very uncertain record in understanding this kind of interethnic exchange. The way you use stereotype and prototype—positive prototype, negative stereotype—is a way of telling the story. Every story, every narrative that comes out of an ethnic tradition has some high points, has some virtues and also has some stories of oppression and exclusion, and the question of balancing that within multiethnic reality is one of the great challenges for the cultural articulation of a multiethnic democratic policy.

We don't have the language of that, but I think that every ethnic group can dialogue that out with anyone else who wants to be involved. The closer you are to home on working those out, the honest to experience answer for particular remedies—the closer to the neighborhood level, to the city level to the metropolitan level—the more able you are to get the crux of the particular ethnic narrative that is used for particular purposes, good purposes, sometimes misunderstood purposes. That's the tricky character of ethnic tradition: it's really a social invention, and we're all involved in it.

Every community has the mechanisms for articulating its sense of ethnicity and its prototypes. We must know much more about that in a widescale fashion because it seems to me the critique of multiculturalism that is being batted around this country is precisely a critique that will force us to keep from talking to each other for fear of not really being an American, which I think is one of the most insidious tactics of divisiveness that has come down the road in the last 5 years.

COMMISSIONER RAMIREZ. We have about 3 minutes in order to be able to finish on time. I would give Mr. Hailes an opportunity to respond and then our General Counsel has one quick last question. I am sorry, our Staff Director has a question.

MR. HAILES. I would just like to interject a proposal that has been discussed fairly recently in a meeting between representatives of the NAACP and the Organization of Chinese Americans because, of course, we're interested in the very question, Commissioner Berry, that you raised—about the model minority and the benefits of looking at the model minority concept. We have proposed the possibility of a joint tutorial program that would highlight the successes, the academic successes, of the Asian Americans and bring them together with members of the African American community.

Of course, one obstacle would be the possibility of stigmatization where all minority—African American—students don't do well, all Chinese Americans do well. But if we get representatives of both the African American community and the Chinese American community that are doing well in school and then get those who aren't doing too well from both communities and have a joint tutorial program, we think we could promote academic success and the kind of cultural diversity that would be positive.

COMMISSIONER RAMIREZ. Thank you. Staff Director?

MR. GONZALEZ. Yes. I think he just answered part of the question I was going to ask both Ed and Charles. When I was back in L.A. last week, I realized as we went around to different communities—the Korean community, the black community, the Latino community—and in the Latino you had a split because you had Latin Americans and then you had Mexican Americans—in talking to leadership at SCLC, at the Urban League, at MALDEF, at the Asian Multicultural Center and so forth, everybody said, look the problem with coalition doesn't exist at the top. We all talk to each other. MALDEF has no problems in picking up the phone and calling the NAACP Legal Defense Fund and calling the Asian Pacific Legal Defense Fund and getting people to rush over to talk about issues. The problem is how does that get filtered down to the folks in the community because there is no coalition at the community level.

So I was going to ask if both of you could talk about some programs. Ed you just mentioned this tutorial program, and I am just wondering if not enough focus is being given to ensure that the folks in the community understand the so-called coalition that exists at the top.

MR. HAILES. That is a concern, and I wanted to emphasize that the meeting among our representatives was a recent one, and we've only begun to see the need to have filtered down the positive suggestions and the unified effort on the national level to our local branches. We can do that through the dissemination of information and the exchanges of mailing lists.

Often in communities we just don't know each other. I received a call not long after the L.A. situation from the president of the Organization of Chinese Americans, who was in San Francisco, and she wanted to join a program at a church that was going to deal with the issues. We were able to exchange information; she did not know the person in our local branch that was the president, but she knew me. I contacted our local branch; they got together; they were on the program together and I understand it was pretty positive. So we have to get the mailing list exchanged on a local level, begin the dialogue, and I think you'll begin to see many positive benefits from that exchange.

COMMISSIONER RAMIREZ. Charles, were you going to answer that?

MR. KAMASAKI. Just briefly. I think that, by and large, the assumption is correct on some issues, but maybe we're not totally there yet. I would just refer back to a near walkout of the National Council of LaRaza and MALDEF from the Leadership Conference on Civil Rights over a very important national issue. It wasn't a question of us not knowing each other; it was a question of not agreeing with each other and that I am not sure we can always address.

One thing I would say, I think the kind of programs that are being discussed are right on target. I think part of the answer is that people aren't going to be convinced by reading the paper or watching TV. They're going to be convinced by what actually happens in their own neighborhoods. Until we get to the point where we have Latinos and housing authorities affirmatively promoting good solid solutions for black and Asian housing problems, and vice versa, and all the way around, and until we have African American civil rights enforcement folks who make it a priority to go out and seek systemic cases that happen to be affecting African Americans or persons with disabilities or others for that matter, then I think this notion of factionalization or fractionalization is going to be there.

The only point I am making is, if we truly argue that we are all part of one movement, then we'd better begin acting that way.

MR. MOKHIBER. Can I just add? You wanted a positive note in the last panel; let me give you one now. Historically there's been a problem which is not unknown to anyone here on foreign policy issues between Arab Americans and Jewish Americans, but on civil rights issues we've found that we are, in fact, on one team. We've brought these two communities together, as well as other communities, on various legislation, on various lawsuits, one that went to the Supreme Court in upholding the rights of both Arab Americans and Jewish Americans to the protections of the Civil Rights Act. We're even bridging the problems now between our communities on foreign policy.

Just last Sunday I spoke at a seminar with three Arab Americans and three Jewish Americans in Rochester, New York, at a synagogue on the [Middle East] Peace Conference. I'll tell you, you can't get much more of a grassroots effort on

two groups that did not see eye-to-eye before than in ours.

So I think there is some hope, but it has to be, under the guise that Charles was saying, that we are in here, the world, the community, the country is getting smaller; we need to be of one mind on most of these civil and human rights issues, and I think there is hope for that.

The money aspect, though, that the Commissioner mentioned cannot be absent from that equation. All the good hope, all the good will that we have, all the good plans, without the funding will fall flat.

COMMISSIONER RAMIREZ. Thank you very much. The General Counsel has deferred on her question. I want to thank the panel for being with us. I have to say that's it's particularly pleasurable to see the former Chairman of the Commission, Arthur Flemming, who has been an inspiration to many of us in many ways in his dedication to creating a government that works for people. But surely I want to thank all of the panelists for being with us. Thank you very much.

DR. FLEMMING. May I say, Madam Chairman, I have deep appreciation for your services and Commissioner Berry to this Commission over the years and also my deep appreciation for members of the career staff who have devoted their lives to the work of the Commission. It means a great deal to me to participate in the hearing and to recognize that claim and contribution.

COMMISSIONER RAMIREZ. Thank you.

[Recess.]

Afternoon Session, May 21, 1992

COMMISSIONER RAMIREZ. Ladies and gentlemen and members of the panel, we are delighted that you are here with us this afternoon.

I am Blandina Cardenas Ramirez, and I am presiding over this hearing in the temporary absence of Chairman Arthur Fletcher. As the Chairman mentioned this morning, this is the second in a series of hearings that the Commission will hold throughout the country in urban centers to look at issues of poverty, inequality, and discrimination, and their effect on racial and ethnic tensions in American communities.

The Commission decided to focus on racial and ethnic tensions after a retreat held in Richmond, Virginia, some 2 years ago in which the rising evidence of racial tensions in our communities became of great concern to the Commission. We have taken this amount of time to fashion a program of hearings that basically takes most of the resources of the Civil Rights Commission and focuses them on this issue. We anticipate holding hearings in Chicago and in Los Angeles and a number of other cities.

Our aim is to put together an understanding of the changes and the developments in terms of the quality of racial and ethnic relations in America's communities, particularly urban centers. With that, I would ask the General Counsel to invite the panelists to begin.

Hate Incidents Panel

MS. BOOKER. Thank you, Commissioner Ramirez. I would like to ask Mr. Ehrlich if you would start by introducing yourself for the record and then each of the panelists has been asked to speak for no more than 10 minutes before the Commissioners will ask questions. Mr. Ehrlich.

Statement of Howard Ehrlich, Director of Research, National Institute Against Prejudice and Violence

MR. EHRLICH. My name is Howard J. Ehrlich. I am the director of research for the National Institute Against Prejudice and Violence. Since 1985 the National Institute Against Prejudice and Violence has been studying ethnoviolence. Through our own research and by our monitoring of the research and data collection of others, we are able to make some scientifically verifiable statements about the nature of ethnoviolent incidents, including the unique effects upon victims.

There are a number of significant dimensions that distinguish our research from the reports of others. First, most organizations merely collect data based on newspaper reports or the self-reporting of victims to a hotline, the community center, or other public agencies. Specialized law enforcement units and some human relations commissions basically classify incidents which have been reported to them. While much interesting and sensitizing data have been accumulated by these agencies, it is important to recognize that their reports are based on uncontrolled

forms of reporting, which are likely to be biased in a number of ways. Not the least of these ways is the factor of self-selected reporting.

My estimate is that at least three-quarters of all ethnoviolent incidents are never reported to any public agency or designated officials in schools or workplaces. In one study the researchers noted that 90 percent of the victim population had not reported the incident. Obviously any generalization based on such data can be, and has been, seriously misleading.

Further, reports based on these opportunistic and nonscientific samples typically understate the levels of ethnoviolence, while at the same time introducing uncontrolled bias into their data. It is imperative that human relations policies be grounded in research that conforms to accepted standards of scientific rigor.

A second dimension that distinguishes the work of the institute is our requirement that good policy research must be grounded in the sociological understanding of intergroup relations, as well as in a social psychology of prejudice. Let me illustrate the critical meaning of this by pointing to the way in which sociologically unsupported assumptions have been built into many discussions of the issues, as well as into data collection and analysis.

Take, for example, the term "hate crime." To begin with, most of the events which entail the violent expression of prejudice are not crimes. If one were to collect or analyze data which only encompassed such crimes, the results would be seriously misleading. More critical is the issue of hate. To apply the term here is to assume that the actor is motivated by a strong emotional response. While it is true that all attitudes have an emotional component, it is not true that prejudice, as a particular form of an attitude, is primarily based on the emotional response of hatred. Furthermore, not all prejudice involves strong emotions. Consider for example, that the white supremacists producing racist propaganda may be acting in a calculated and nonemotional way. The white homeowner attacking black newcomers to the neighborhood may be acting out of fear, not hatred, and the teenagers assaulting a gay man may be acting in conformity with group norms.

The point of this seeming digression is to emphasize the fact that prejudiced behavior is multidimensional. Insofar as we are ultimately interested in reducing prejudice and changing behavior, we cannot allow ourselves to be mislead by bureaucratic and scientifically uninformed labels such as hate crimes. The Commission and the news media should also be aware that the terms "hate crimes" and "bias incidents" serve another purpose. They understate the meaning of the behavior they label. We are, in reality, talking about psychological and physical forms of violence. This form of violence is unique in at least two aspects. First, it is motivated by group prejudice, and second, because of its roots in prejudice, it has a stronger impact on the persons victimized than violence based on other motives. For these reasons we have labeled this phenomenon ethnoviolence.

Ethnoviolent incidents range across many forms of violent behavior from acts of psychological intimidation which include telephone harassment and face-to-face verbal abuse through property defacement and physical assaults.

What do we know about ethnoviolent incidents? Here are some of the facts. All of these statements are based on the research programs of the National Institute Against Prejudice and Violence, which include a national sample of black and white adults, a series of college campus case studies, and a series of studies of workplace incidents, as well as being based on other scientifically sound studies.

What is the extent? First, the lowest most conservative estimate is 10 percent. That is, 10 percent of the adult population are victims of an ethnoviolent assault during any 12-month period. The upper limits of estimates based on case studies conducted by the National Urban League in Baltimore and Richmond, are 25 to 30 percent. The figure of 25 percent is also the modal figure for case studies on college campuses. Moreover, my impressions from the institute's workplace case study now in progress is that the incidence of ethnoviolence in the workplace exceeds 25 percent, particularly when you include acts against disabled workers, abusive behavior towards older workers, and sometimes even younger, and women who are systematically subjected to patterns of abuse deriving clearly from gender prejudice. Although there are several factors which affect the incidence of ethnoviolence in a community, a campus, or a workplace, the

preponderance of evidence suggests a rate of 20 to 25 percent. That means one out of every four or five adult Americans is harassed, intimidated, insulted, or assaulted for reasons of prejudice during the course of the year.

The city of Los Angeles in flames may be a genuine media spectacle, but it is the everyday character of ethnoviolence that is the unspectacular, but critical, underlying problem. Through silence, miseducation and denial, Americans have failed to recognize this underlying problem, while agencies such as this Commission have failed to speak out vigorously about this routinization of ethnoviolence in everyday behavior.

What is the effect of ethnoviolence on its victims? The institute's national study of victimization indicates that people who are psychologically or physically attacked for reasons of prejudice suffer more than people who are victims of similar attacks based on different motives. Using the measure of 35 symptoms of posttraumatic stress, we observed that white, black, and Hispanic victims of ethnoviolent incidents displayed significantly more psychophysiological symptoms than did persons victimized for other motives. The effects of victimization can include financial as well as physical costs, but the psychic trauma experienced by victims of ethnoviolence is often severe and long lasting. When the incident occurs in the workplace or on campus, almost one out of every three victims report that it has disrupted their interpersonal relations and their work productivity.

Three. Victimization is more than a matter of counting bodies. Every person victimized has family and friends, and every active victimization either has direct witnesses or people who heard about it from the victim or others. Many of these people are also victims. We call them covictims. They are disturbed, angry, anxious, sometimes frightened. Like those who are directly victimized, covictims may report disruption in their normal routines of everyday behavior. We have no exact estimate of covictim rates, but we do know from our survey that 62 percent of our sample knew about the victimization of someone close to them.

Four. Who are the perpetrators of ethnoviolent acts? We know very little about perpetrators. My reading of the available evidence indicates that at least half of all ethnoviolent incidents are committed covertly. Even in the confines of a workplace, one-third of the victims of ethnoviolence did not know their assailant while an additional 10 percent had not seen them before the incident. Generalizing about the characteristics of perpetrators on the basis of those who were observed or apprehended will be misleading. The number of social characteristics of perpetrators very likely varies by setting whether we're talking about street incidents, housing incidents, campus, workplace, and so forth, and also by target, whether we're talking about anti-Jewish acts, antigay acts, antiblack acts, etc.

Five. Reporting the incidents. Who reports their victimization to the police or human relations commissions or workplace supervisors or school officials? The answer is practically no one. The nonreporting figures are extraordinary, ranging from 80 to 90 percent of victims. There may be slightly more people reporting incidents which occur in public neighborhood settings as compared to schools, workplaces, or other closed institutions. There's a complex set of reasons for nonreporting. The primary set of reasons has to do with the denial of the significance of the ethnoviolent incident by the victim him or herself. Secondarily, people believe that authorities will not do anything or cannot do anything of consequence.

Finally, many people are afraid of retaliation or other consequences of reporting. For example, in our national survey we found that persons victimized at work are less likely to report the incident if they believed it was motivated by prejudice than if they believed it was motivated for some other reasons. There is further evidence to suggest that white victims of ethnoviolence are more likely to report the incident than are black victims. If I may have a half minute more to summarize?

COMMISSIONER RAMIREZ. A half minute, sir.

MR. EHRLICH. What we need clearly is a national survey of sufficient scope so that we can establish a baseline by which to assess the incidence and prevalence of ethnoviolence, as well as the personal and social costs of ethnoviolent victimization. The National Institute Against Prejudice and Violence is prepared to do such a survey, but the estimated cost of that one project

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is half a million dollars, and it exceeds the scope of a small nonprofit such as the institute. So I would like to call upon the members of the Commission to assist us in procuring that kind of funding if you agree with me that this is a worthwhile enterprise. Finally, I believe that the single most strategic approach for this Commission, given its charter as a factfinding body, is to help the American people break free of the norms of denial and the culture of silence that have characterized intergroup relations in the United States throughout our history. Thank you very much.

COMMISSIONER RAMIREZ. Thank you, sir.

MS. BOOKER. Ms. Hughes.

Statement of Grace Flores Hughes, Director, Community Relations Service, U.S. Department of Justice

MS. HUGHES. Good afternoon, Madam Acting Chair. My name is Grace Flores Hughes and I am the Director of the Community Relations Service of the Department of Justice. I am pleased to be here this afternoon among friends and acquaintances. The U.S. Commission on Civil Rights and the Community Relations Service have always had a professional relationship of shared concerns and effort.

The CRS is in its 28th year of providing services to this country and is responsible for two major programs. One is our conflict resolution program which addresses CRS's initial legislative mandate. Under Title 10 of the Civil Rights Act of 1964, Congress mandated that CRS provide assistance to communities and persons therein in resolving disputes, difficulties, and disagreements arising from discriminatory practices based on race, color, or national origin.

CRS does not investigate or enforce the law. Rather our job is to help reweave the fragile social fabric that often is torn or unravels in a community after the occurrence of a hate incident. Our neutral conflict resolution services assist communities in achieving peaceful and voluntary resolution of racial and ethnic conflicts, including conflicts that may arise out of hate incidents. CRS offers this service to communities in conflict upon its own motion, at the request of local authorities or representatives of commuity-based organizations, or by court referral. We have three conflict resolution services: conciliation, outreach, and immigration and refugee affairs liaison activities.

In providing conciliation services, we use three techniques: mediation, technical assistance, and training to facilitate resolution of conflict. Our outreach and refugee affairs liaison activities are designed to help local communities and State agencies establish and improve their own mechanisms for anticipating, preventing, and resolving tensions or disputes.

It is important to remember that our responsibility is to resolve racial conflict that may disrupt a community when a hate crime has occurred. We do not have the jurisdiction to investigate or prosecute such crimes. These are for other law enforcement organizations. What the Community Relations Service does is address the communitywide racial or ethnic tension that may result from an incident.

Through our training and outreach services, we also assist communities in preventing or averting racial or ethnic conflict. Our effectiveness in our work is measured by our ability to offer our services as a third party neutral in any case or conflict. CRS does not make any determination as to the actions of the parties in conflict. What we attempt to do is bring those parties in dispute together, so that they may address their conflict in a peaceful manner, and so that their actions may reduce the possibility of increased tension or even violence.

It is the ability to be seen as a neutral player, offering assistance to the groups or individuals in conflict, that allows us to be so effective. A critical aspect of this neutrality is CRS's confidentiality clause. This clause, which is written in our legislative mandate with criminal penalties, forbids CRS staff from commenting upon certain aspects of a case unless the parties themselves agree to making that information public. This clause requires CRS to resolve disputes in confidence and without publicity. Thus conversations with community leaders, law enforcement officials, or elected representatives will be held in close confidence. It is because of this, I must say, that I will not be able to comment specifically on some CRS activities.

In fiscal year 1991, CRS filed 4,290 alerts of potential communitywide racial conflict nationwide. Of these, 287 arose out of incidents of our

perception of an occurrence of a hate crime. This is the highest number in the past 3 years.

In FY 1990 I initiated a nationwide toll-free number to receive calls from anyone in the country who was the victim of or aware of hate violence. This hotline increased our alerts by 75 percent over previous fiscal years. During FY 1993, I will establish a centralized alerts desk office in the headquarters to further enhance our ability to receive and record as many potential race conflicts in the country as we can. This capability is essential to our ability to be aware of and respond to as many conflicts as we can and to distribute our resources in the most appropriate manner.

Let me describe an example of our case work in this area. Due to our statutory requirement to work in confidence, I will not identify the location or parties to this case. In a moderate-size city, a cross was burned on the lawn of a minority family. The family reported the incident to the police and notified the local chapter of a national minority organization. The initial police investigation was perceived as cursory by the minority community, and protests against the police department were organized by the national minority organization. They demanded more training for police officers in recognizing and responding to hate crimes. This group urged citizens not to cooperate with or support police activities until changes were made in the department's approach to hate crimes.

Minority leadership in the community also complained, through local media, that the majority of citizens in the community had not given adequate support and empathy to the victims of the cross burning. As a result, boycotts by minority residents of businesses and schools were threatened. The Northwest Regional Office was alerted to the racial conflict arising out of this hate crime incident by a contact from a previous case worked in the city. An assessment was conducted to determine CRS jurisdiction, and a conciliation specialist was dispatched to the site. The conciliation specialist immediately interviewed the minority leadership, the police chief, the mayor and other city officials and leaders in the business community and school officials to determine all the issues in conflict. He convened all the parties in mediation sessions as soon as possible to facilitate negotiations towards an agreement that included changes in the police department policy on training to give responses to hate crimes a higher priority, in threatened boycotts of businesses and schools, and the establishment of a multiracial human relations committee to develop support programs for the victims of hate crimes. As a result of this, and similar cases in the Northwest, CRS helped establish a four-State coalition against malicious harassment that provides a process through which State and local law enforcement officials and local community leaders can cooperate in the development of regional and statewide programs to respond to incidents of hate violence. This model has been reproduced in 16 States.

The number of CRS activities involved in incidents related to hate activity increased from 176 in 1989 to 192 in 1990 and to 287 in 1991.

CRS assists communities to prepare for marches by hate groups or other scheduled demonstrations. For example, we assist local civic officials and community leaders in how they may respond to these type of rallies or demonstrations. We stress the need for such coordinated activity as self-marshalling units, defined demonstration areas, and clear lines of communications to minimize the potential for violence between the hate groups, any counterdemonstrations, or the police.

CRS also provides technical assistance to police departments across the country on how to respond to increased communitywide tension that may result from a hate incident taking place in their community. Our role is not to assist in the investigation or enforcement of any particular statute. Rather, we work with the police departments and community groups to communicate and coordinate these activities among the organizations so as not to aggravate what may already be a volatile situation.

If, however, a hate incident does occur in the community, and there is a swift and determined response by the local authorities to the incident, often there is no increased communitywide racial tension as a result of the incident; thus there's no need for CRS services. On a national level and in a proactive approach as part of our outreach services, CRS participates in dialogues across the country where participants representing all racial and ethnic groups come together under our auspices to agree to plans for their

communities on how they will respond in a positive way to hate incidents. This response may be support for victims of hate incidents, a system for the law enforcement officials to address, if possible, increased community tensions following an incident, or developing lines of communications among community and local officials.

These dialogues help communities learn from other communities around the country that have planned appropriately to prevent the unravelling of relationships following a hate incident. In addition, in order to assist the Nation in preventing and resolving racial conflict associated with hate activities, CRS has joined forces with the Federal Law Enforcement Training Center, the National Institute Against Prejudice and Violence, and the Uniform Crime Reports Section of the FBI in various programs aimed at addressing hate activities. We find our combined efforts extremely beneficial and look forward to continuing those efforts.

COMMISSIONER RAMIREZ. Thank you very much.

MS. BOOKER. Mr. Hordes.

Statement of Jess Hordes, Washington Director, Anti-Defamation League of B'nai B'rith

MR. HORDES. Madam Chairman, members of the Commission, my name is Jess Hordes. I am the Washington director of the Anti-Defamation League of B'nai B'rith. I appreciate the opportunity to appear before you today and commend this Commission for the leadership role it has taken in addressing the problem of ethnic tensions in this country and exploring ways to promote mutual tolerance and respect. Throughout the past decade, this Commission has repeatedly focused public attention on the devastating impact prejudice and discrimination have had on our diverse and pluralistic society.

In recent weeks, most especially in Los Angeles, that devastating impact has become painfully obvious to all Americans. The violence on the streets of Los Angeles following the announcement of the jury's verdict in the Rodney King police brutality case has riveted the Nation's attention to race relations and raised concerns about our criminal justice system. Citizens are now looking to public officials and law enforcement executives for assurances that what happened to Rodney King and what happened on the streets of Los Angeles after the jury verdict will not happen in their communities.

This increased public awareness and concern has certainly raised expectations for those government officials charged with confronting these tough problems and served to underline the critical importance of initiatives to promote enhanced police-community cooperation. The national spotlight, however, also presents new opportunities to promote enhanced relations between law enforcement agencies and community groups, and provides a very useful context for our panel on effective responses to hate violence.

The Anti-Defamation League regards combating prejudice and bigotry as one of its highest priorities. We take great pride in the educational and legal initiatives we have created, most notably, our award-winning, "A World of Difference" campaign and our model "hate crimes legislation." Over 30 States have now enacted hate crimes laws based on our or similar to ADL's model.

When prejudice leads to criminal conduct, as it all too often does, headlines result and communities are set on edge. The upsurge in hate incidents and hate crimes in recent years is most troubling. ADL, which has kept statistics on anti-Semitic incidents for more than a decade, has noted an increase in the number of such incidents in each of the last 5 years. Our 1991 audit of anti-Semitic incidents revealed 1,879 separate incidents of vandalism, violence, or harassment, an 11 percent increase over 1990.

The 1991 audit also included record totals for anti-Semitic arsons, bombings, and cemetery desecrations, and the highest number of anti-Semitic incidents we have ever recorded in 1 year on American college campuses. While we do not keep statistics on other types of bias incidents, all of the available evidence—and we've already heard some today—seems to suggest that incidents of bias against other Americans, including African Americans, Asian Americans, and gays and lesbians, have also been on the rise.

We recognize that prejudice and hatred cannot be legislated out of existence. Nevertheless, hate crimes laws have proven to be useful tools for law enforcement agencies seeking to respond to this growing problem. Such laws, which typically provide for enhanced punishment for crimes motivated by bias, also demonstrate the

depth of this society's concern. They offer an important measure of comfort to targeted groups, which often feel vulnerable in the wake of a hate crime, especially when that crime has the potential to polarize an entire city and cause widespread tension and violence.

In our work in this area, in addition to focusing on media exposure, education, and more effective law enforcement, ADL has made the enactment of legislation to collect data on hate crimes a high priority. Not only do statistics on hate crimes equip our leaders at the Federal, State, and local levels with the information they need to allocate their resources appropriately in response to hate crimes, the collection of such data also provides the impetus for law enforcement officers to learn how to identify and respond to such crimes in the most effective way.

Law enforcement's response is crucial to avoid further explosions of urban violence. For this reason this panel's focus on effective responses to hate violence is most welcome. Ever since the Federal Hate Crime Statistics Act mandating the Justice Department to acquire data on crimes which manifest prejudice based on race, religion, sexual orientation, or ethnicity became law, its sponsors and supporters, including ADL, have been seeking forums such as this to underscore the value of this act and the critical importance we attach to its effective implementation.

To its credit, the FBI has taken its new responsibility to collect data on hate crimes quite seriously. We welcome the FBI's decision to incorporate questions on hate crimes into its Uniform Crime reporting program, and commend the Bureau's efforts to reach out to those with expertise in this area, including ADL, and to provide training on identifying and responding to hate crimes to both its own agents and to other law enforcement officials. ADL and other human relations groups were involved in developing the Bureau's training manual and data collection guidelines, and the finished products reflect that input. They are well-crafted, inclusive, and should be a useful resource for law enforcement agencies nationwide.

If it works as intended, the Hate Crimes Statistics Act should also encourage the establishment of specifically focused police procedures for addressing hate violence. As such crimes come under increased police scrutiny, the ability to anticipate an act proactively to prevent new crimes will improve. Over time, the deterrence factor can also be expected to increase. Studies indicate that victims will also be more likely to report hate crimes, thereby generating more attention and improving victim services.

Once statistics on hate crimes become more readily available, this Commission can play an important role in interpreting them and in shaping a national response. While there are already many quality resources available, including programs and publications produced by such organizations as the International Association of Chiefs of Police, the National Organization of Black Law Enforcement Officials, and ADL, the crisis situation we are confronting can only benefit from the kind of attention and action this Commission is capable of generating. Thank you very much.

COMMISSIONER RAMIREZ. Thank you, sir.

MS. BOOKER. Mr. Welch.

Statement of Danny Welch, Director, Klanwatch

MR. WELCH. I am Danny Welch. I am the director of Klanwatch, which is a special project of the Southern Poverty Law Center located in Montgomery, Alabama.

Compared with the overwhelming problems associated with the illegal drug epidemic and gang-related violence, hate crimes may have seemed relatively insignificant. But even incidents that don't involve violence such as harassment and vandalism have the potential to disrupt entire communities and spark violence. I would think with the recent events in Los Angeles, our public officials and citizens will put a greater emphasis on this serious crime, which targets people because of their race, religion, ethnic background, and sexual orientation.

Hate crime has escalated dramatically over the past 2 years. I'll give you just one or two examples. Hate crime in Oregon, for instance, increased 60 percent—and this is all 1991 figures—60 percent in the first 6 months of 1991. An ADL report mentions there was an 11 percent increase in anti-Semitic crimes in 1991. Last year in New York City, or in New York, police reported 1,110 hate-motivated attacks against blacks and Jews. A Harris poll conducted in 1990 noted that 57 percent of 1,865 high

school students surveyed had witnessed or heard about a racial incident, while 25 percent said they had been targets of racial confrontation tinged with violence, and 4 of every 10 admitted they held racial and religious prejudices.

The National Gay and Lesbian Task Force Policy Institute documented 1,822 crimes against gays and lesbians in five major cities: New York, Boston, Chicago, Minneapolis-St. Paul, and San Francisco. One alarming factor was Minneapolis-St. Paul which reported gay bashing increased by an alarming 202 percent in 1991. Groups that have monitored hate crimes for years through informal reporting procedures have documented a significant rise in violence motivated by bias, although complete and accurate statistics will not be available until all States and police agencies within those States comply with the Hate Crime Statistics Act of 1990. The act is one of the first steps toward combating hate crime. However, as significant as it is, the Hate Crime Statistics Act only offers a partial answer to difficult questions raised by hate crimes.

First of all, the law is not backed by budget or a mandate for compliance. The Department of Justice Uniform Crime Reports Section is required to collect data from the States, but the law does not require the States to provide it. Participation is still voluntary and in 1991, I understand, only 11 States provided hate crime data to the FBI.

Before implementation of the Hate Crime Statistics Act and some subsequent training by the FBI, many police agencies had no idea how frequently hate crimes occurred within their jurisdiction or even what constituted a hate crime. I venture to say that there are a lot of police departments that still don't know how many hate crimes are committed in their jurisdictions. There is much to be done, including convincing public officials and citizens that the problem of bias crime is not an isolated phenomenon. To make these convincing, we need detailed and accurate national data. We cannot think, however, that State compliance with the Hate Crime Statistics Act or strict hate crime laws will put an end to hate crime. The private sector of America must also do their part in using other avenues to aggressively address racism and hatred.

Klanwatch, a project of the Southern Poverty Law Center, has been gathering evidence on the white supremacists groups and the white supremacy movement and developing trends in that movement since 1979. As part of our ongoing law enforcement educational program, we publish a bimonthly report for approximately 6,000 law enforcement agencies around the country to assist them in identifying and monitoring hate groups.

As a matter of fact, last year we monitored and kept track of 346 groups that were active in America in 1991. We have also been reporting hate crimes in this same bimonthly publication with the intention of encouraging police departments to take these crimes seriously, and to sensitize them to the traumatic experience a victim of bias crime suffers. We have also used civil litigation to effectively combat hate groups whose members use violence against minorities.

We also feel that children must learn to accept and appreciate people of other races, cultures, religious and ethnic backgrounds in order to become responsible and caring adults. We discovered that teachers did not have access to practical information on how to promote tolerance in their own diverse classrooms. It is the responsibility of school administrators to make teaching tolerance part of their curriculum. Our educational department at the Southern Poverty Law Center has recently initiated the Teaching Tolerance Project designed to stop racial or ethnic problems before they start.

The program, founded in 1991, works to provide teachers of all grade levels with ideas and resources for promoting interracial and intercultural understanding in the classroom. Last year we provided, at no cost, 170,000 of our semiannual magazine for teachers named *Teaching Tolerance*, full of ideas and techniques to help teachers establish a basis for racial and religious harmony. We are currently developing a curriculum package for schools to possibly include a video and teacher's guide.

In closing, I would like to say that hate crime and racism are on the verge of being epidemic in this country, in our opinion. A few years ago hate crime was literally a black and white issue, usually involving white perpetrators and black victims. Today, black-on-white crime is becoming more common, and other contemporary conflicts

reflect the growing friction generated by increasing diversity in our society. For instance, riots erupted in Brooklyn's Crown Heights neighborhood between Hasidic Jews and blacks. Longtime tensions between Korean grocers and black customers in Los Angeles turned to violence in 1991. Since 1989, 113 people have been wounded in the intense turf wars between Cambodians and Latinos in Long Beach, California. Ten people have died, including bystanders.

Studies indicate that more than half of all crimes are committed by teenagers and young adults under the age of 25, almost always acting as informal groups. Some incidents are premeditated, but most are spontaneous, sparked by chance conflicts with gays and lesbians or members of other racial, religious, or ethnic groups, and fueled by ignorance about people from different cultural backgrounds.

Political leaders representing all segments of society have a responsibility to speak out against racism and confront the hate crime problem, not just pay lipservice and cast blame. We should starting building a foundation of understanding and brotherhood through progressive and effective programs. Our country needs strong leadership and we need it immediately.

COMMISSIONER RAMIREZ. Thank you very much, Mr. Welch.

MS. BOOKER. Mr. Wilson.

Statement of Harper Wilson, Section Chief, Uniform Crime Reports Section, Federal Bureau of Investigation

MR. WILSON. Thank you. My name is Harper Wilson and I am the Chief of the Uniform Crime Reports Section at the FBI. Good afternoon. I would like to say I appreciate the opportunity to appear before you and particularly in the company of such distinguished copanelists.

I have a very, very brief statement since the panelists have covered basically the program that we are administering for the law enforcement community. As you know, Congress passed the Hate Crimes Statistics Act in 1990. The act mandated that the Attorney General acquire data concerning crimes that manifest evidence of prejudice based on race, ethnicity and national origin, religion, or sexual orientation.

The crimes that are being collected are homicide, forcible rape, robbery, aggravated assault, simple assault, burglary, larceny theft, motor vehicle theft, arson, intimidation, and destruction, damage, or vandalism of property. It's been pointed out already by another panelist that this does not, of course, contain all hate incidents. That is well to keep in mind. But it does contain most that involve bodily injury or loss of property. The reporting to police by the victims of these crimes is yet another matter, and something that needs further addressing by groups such as these and by the Commission itself, perhaps.

The Attorney General tasked the FBI Uniform Crime Reports Section with the development of a data collection for 16,000 voluntary law enforcement agency participants. The FBI, having anticipated the act's passage, had thoroughly studied the issue and determined that a new and different approach was necessary to be successful in development and implementation of a national hate crime statistics program.

It was first determined that the hate crimes collection effort would be an adjunct to the UCR collection. Hate crimes are not separate, distinct crimes, but rather traditional offenses that are motivated by the offenders' bias. For example, an offender may commit an arson because of his or her racial bias. It was, therefore, not necessary to create a whole new crime category labelled hate crimes. To the contrary, hate crime data would be collected by merely capturing additional information about crimes already under the purview of the 60-plus-year-old system.

With the cooperation and assistance of some law enforcement agencies already involved in collecting and addressing hate crime information, such as the Maryland State Police, the Baltimore County Police Department, the Boston Police Department, the New York City Police Department, and the Chicago Police Department, and a most broad coalition of human interest groups, including the ADL, the institute, People for the American Way, the Community Relations Service, and many, many others—25-plus-some groups—we came together in the late summer of 1990, and developed what is now known as the Hate Crime Statistics Program. It is not an FBI program; it is not a police or law enforcement program; it is a national societal program.

Included in the collection was information about the types of prejudice motivating the

designated offenses, where hate crimes occur, their victims, and information about the offenders. Reporting law enforcement agencies are offered various means by which to report, either in conjunction with their regular UCR submissions, or separately in quarterly hate crime reports.

The FBI has conducted 14 regional training conferences nationwide for local law enforcement agencies regarding the investigation and reporting of hate crimes. This training was conducted in conjunction with other law enforcement agencies, the Community Relations Service, and many of the human interest groups that have been partners in this effort from the very beginning.

The participants of these sessions represented each of the 50 States and the District of Columbia, including all law enforcement agencies that have populations of 100,000 people or more. This covers 77 percent of the entire country's population. Training for Federal law enforcement agencies was also conducted. We have now begun receiving submissions of hate crime data from throughout the country. There are over 30 States actually in 1991 which provided data on hate crimes, and that number is increasing very, very rapidly. As with all national data collection efforts, however, participation must grow considerably before valid nationwide assessments of a hate crime problem can be made.

In the interim, the FBI, the Bureau of Justice Statistics, and the Association of State UCR Programs are jointly preparing a resource book containing available 1990 hate crime data from States and local agencies operating hate crime programs that predated the Federal legislation. This publication will also contain other information relative to State-specific hate crime legislation and strategies. Future FBI publication plans include an annual publication focused solely on hate crime along with topical studies highlighting unique aspects of the hate crime occurrences.

While the Hate Crime Statistics Act expires after 5 years, the FBI considers hate crime statistics collection to be a permanent addition to the UCR effort. National hate crime statistics will result in greater awareness and understanding of the true dimensions of the problem and will, in turn, result in further benefits. Law enforcement will be better able to quantify its resource needs, and do a better job of directing available resources to the areas where they have the most effectiveness. Historically, law enforcement has demonstrated progressive and professional confidence in developing imaginative approaches to criminal problems. With this response to the hate crime legislation, law enforcement is showing that the same enthusiastic and proactive attention can be applied, not only to criminal problems, but to a societal scourge that has even far more adverse consequences than most criminal problems, per se.

Throughout the country the law enforcement community is being applauded, and rightly so, I believe, for its forthright addressing of this critical issue. There is a saying that you hear today, one of those that go around in schools—you may have heard your kids use it—where he or she says, "they don't get it, they just don't get it." It means, I guess, to understand or to get the big picture. I believe that law enforcement is continuing to "get it." The leading newspaper in this city has an advertisement that says, "if you don't get it, you don't get it." I believe law enforcement is understanding that if you don't get it, it may be the other way, you will get it. What you get may not be a positive message.

We know here that we can't accomplish anything by talking or thinking; it requires doing; it requires action. I am pleased to report that the law enforcement community, with great assistance, is in the action of progressively doing something about this issue. Thank you.

COMMISSIONER RAMIREZ. Thank you, Mr. Wilson. We have an hour left for our discussion with this panel, and there are four Commissioners and two members of the staff here. I'd like to go ahead and ask the Commissioners to try to keep to the 10-minute question period, and then, if we have time left over, we will go back around and see if we can get a good discussion going here. Commissioner Anderson, would you begin the questioning?

COMMISSIONER ANDERSON. Thank you. Ms. Hughes and Mr. Wilson, I would like to ask you whether, in your judgment, the Korean American merchants in Los Angeles, whose businesses were burned and looted, whether they would be considered victims of hate crimes?

MS. HUGHES. Do you want to answer that?

MR. WILSON. In my opinion, based on what I know from CNN, and that's it, "yes" is the answer.

MS. HUGHES. There is supposed to be, if I understand correctly, an investigation of those allegations, and I think that until that investigation is carried out I would not be prepared to respond. On the face of it, they claim that their businesses were purposely attacked because they were Korean. If that is, in fact, found to be so, then that would be a "yes" to that answer, but I think that there should be an investigation on that.

COMMISSIONER ANDERSON. Could you tell us in a general way what CRS is doing now in Los Angeles?

MS. HUGHES. In a very general way, we're there, is the answer. We had been there; we had been working with various coalition groups right after the beating of Rodney King. We did not wait until after the trial. We had already established relations with various coalition groups there. Now we are not only working with those groups, but we're also working with other groups that we have been talking to in the particular area where the violence occurred.

COMMISSIONER ANDERSON. So you were there before the trial verdict. Did you anticipate in any way any violence of this degree in terms of an acquittal in the jury?

MS. HUGHES. My staff in the San Francisco office had discussed this among themselves and had their own plan. But violence to this degree, I don't think was anticipated by anyone, not even CRS.

COMMISSIONER ANDERSON. Were steps taken in terms of enhanced activity on the part of CRS in preparation for the verdict?

MS. HUGHES. We had, as I said, been talking to those coalition groups and, again, yes, they had a plan, but I think that any plan that my agency, or any agency for that matter, would have had would not have ever predicted or been prepared to address the kind of violence that occurred.

COMMISSIONER ANDERSON. Is CRS now looking at the possibility, however great or small, of violence continuing or occurring again in the Los Angeles area sometime in the summer?

MS. HUGHES. We are there in full staff to address the issues—not only that we believe we have to resolve right now, but in the future as well.

COMMISSIONER ANDERSON. Could I ask Mr. Wilson—you said law enforcement is being applauded for forthrightly addressing this problem of hate crimes around the country. I think, as we look at perhaps what's happened in Los Angeles recently, we would be surprised by that statement on your part. Could you give us a little bit more detail as to how you see police, law enforcement in terms of prejudice and hate crimes?

MR. WILSON. Yes, I certainly understand the nature of your question. Certainly the Los Angeles experience does not point to a positive approach by law enforcement, but let's don't fall into the same trap of judging all law enforcement by one incident involving a very few officers. If there are any positive results from the Los Angeles experience, perhaps it will help increase the awareness of these issues among all of law enforcement.

The basis for my statement, Commissioner, was based on what I've seen in our approaches to law enforcement throughout the country, the fact that they are beginning to understand these additional responsibilities as it pertains not only to hate crimes, but their role in the community, period. We see people come to training courses who are sent, who are told to be there, and they walk out with a sense of increased awareness and responsibility to this whole issue.

COMMISSIONER ANDERSON. Let me just ask one more question, if I could. When we were in Los Angeles following the events there, we met with Korean American merchants and other citizens, and they told at least two of the Commissioners here that many Koreans now fear for their lives and believe they are going to be targeted in the near future. They also told us that an average of about one Korean merchant a month in the Los Angeles area is murdered during a robbery attempt on his or her store. Should a Korean American merchant be murdered, say in the near future in the process of robbery, how would you consider that? What would cause you to determine that it was a hate crime or cause you to determine it was not a hate crime?

MR. WILSON. There is a set of proven guidelines to base a judgment of whether this homicide-robbery is a hate crime or not.

Basically the whole scenario has to be reviewed by the police department and by reviewing police officials, who have more experience in what is a hate crime and what is not. Things that are said during the crime episode come into play. The perception of the community is a factor, but not a determinant. The historical commission of hate crimes by offenders, if offenders are identified, and many other factors are brought to bear on this one specific incident. So there's no general litmus test that is applied, but the facts and the professional judgment of the law enforcement people that are experienced in the area.

COMMISSIONER RAMIREZ. Thank you, Commissioner.

COMMISSIONER BUCKLEY. If I could follow up on that question. The Korean Grocers Association gave us the figures, and they did not give us the data itself. Hopefully they will send it later, but they gave us the data that over the last 2 years, one person per month had been killed. My question to you is: in your collection of data—you say you have quarterly reports—what kinds of trends were you able to gather from these quarterly reports? What can you tell us about what you're seeing, first of all, nationwide as to what the trends are there, and then secondly focus on Los Angeles?

MR. WILSON. Unfortunately, because of the relatively new status of the program, I have no national trends at all. Because the program is new, the gaps are wide and geographically dispersed, so it's going to be a couple of years, frankly, before national trends are able to be articulated in a responsible way.

COMMISSIONER BUCKLEY. In any of those reports that you had, were there incidents of police brutality as part of these hate crimes that were reported to you? Could you comment on the report that was just released by the Department of Justice on police brutality by police departments?

MR. WILSON. I am sorry. I am not the proper person to comment on the police brutality aspect, although I've been involved with police brutality investigations way back in my career. The Uniform Crime Reports program does not capture the occupation of either the victim or the offender, so I am unable completely to address that. I am sorry.

COMMISSIONER BUCKLEY. Do you think that based on what is occurring, say in these reports and in other cases, that you might ask to include that as part of your data?

MR. WILSON. I believe that when police brutality becomes a factor, the FBI and the Department of Justice usually get involved in the other aspects, and that data would be available in another channel than Uniform Crime Reports.

COMMISSIONER BUCKLEY. But you don't see it in your data at all? Really what I am asking is: at what point is it a police brutality issue and at what point is it a prejudice issue and how do you distinguish these two or do you distinguish it?

MR. WILSON. We don't. We don't attempt it at all.

COMMISSIONER BUCKLEY. Ms. Hughes, if we can go back to your office, part of what we heard this morning was that very often budget is not there when it comes to supporting a lot of these programs. Can you tell us how much staff you have out there in Los Angeles right now?

MS. HUGHES. We started out with 10 borrowing from other regions, an approximate total of about 10 people.

COMMISSIONER BUCKLEY. Ten people right there now?

MS. HUGHES. No, we've rotated some out because we had them working 24 hours a day, so we pulled some out and I think we have about—it could be between five and six, I am not sure. We haven't talked—we were waiting to talk to our folks in Los Angeles—but it's between five and six.

COMMISSIONER BUCKLEY. When you implemented your hotline, how many additional staff members were you able to put into that area, and have you been able to increase your staff members there?

MS. HUGHES. For the first time in many, many years, I have had a budget increase, and that's where the alerts desk officer comes in. For this year we were increased three more slots in the regional offices. We have 10 regional offices, so we have to determine where those three slots are going to go, and two more slots in the headquarters. One of them is the alerts desk officer that's associated with the hotline.

COMMISSIONER BUCKLEY. In our visit to L.A., part of what we heard was the solution—because we were trying to find some solutions also—was

a lawyer that told us that they felt that the solution was going to the schools, and working with the schools and having sensitivity training with students. Does your agency do any of that now and, if not, do you have any plans to work with groups and/or schools?

MS. HUGHES. Yes, we do. We've been providing conflict resolution techniques to high schools in California, and we even started a pilot project with one particular elementary school here in this area. We have adopted a school as part of the adoption program, and in the course of that relationship, the principal asked us if we would do that because he found out what we did, and he was very excited about the kind of work we did in terms of teaching children conflict resolution—to come to a table and resolve their conflicts early on, instead of committing violence towards each other. This is a pilot and if it works out well we may try to prototype that in other schools throughout the area and the country. We have begun doing that in California in high schools already.

COMMISSIONER BUCKLEY. Are you looking at going to other States where you have major demographic changes?

MS. HUGHES. Oh, yes. This is, as I said, a pilot project. We're working in California and we're now having to sit down and figure out—prioritize—which part of the country we go because obviously we can't go everywhere, but at least each of the 10 regional directors can begin to do some of that activity in their regions.

COMMISSIONER BUCKLEY. Thank you very much.

COMMISSIONER RAMIREZ. Commissioner Berry?

COMMISSIONER BERRY. Mr. Wilson, if I understood you correctly, you said—in answer to Commissioner Anderson—that based on what you saw on CNN, you concluded that the destruction of the Korean businesses was a hate crime, if I heard you correctly.

MR. WILSON. Just to correct that a wee bit, I said, if that's all I had—I meant to say, if that's all I had to base a forced decision on or an opinion, I would, yes, I believe it was.

COMMISSIONER BERRY. Did you see the beating of Rodney King on CNN or any other channel? Have you had an opportunity to view that tape?

MR. WILSON. Yes, I am afraid so.

COMMISSIONER BERRY. Would you, if you had no other information available to you, would you conclude that that was a hate crime?

MR. WILSON. Well, the whole episode was not taped, but from a human standpoint it is hard to believe that anything could justify it before the part that was taped.

The question was do I believe it was a hate crime?

COMMISSIONER BERRY. Do you, using the same standard that you used in concluding that the destruction of the Korean businesses was a hate crime, which conclusion I heard you make here, based on your observation of television, having seen the Rodney King beating and heard the tapes associated with that and everything that everybody else has seen and heard in America who is alive, would you, if you had no other knowledge available to you or information, would you draw a conclusion that that was a hate crime?

MR. WILSON. Well, I was trying to transition, I guess, between the brutality questions of earlier and hate crimes. With regard to the King beating, the race of Mr. King and the police officers may or may not have had anything to do with the brutality or the lack of professionalism that may have been involved there. It's just hard to know that had the person been of a different race, whether the same thing may very well have occurred. I don't know that. You know, some of these things that we in law enforcement see as indicators are, for example, that other people in the vehicle that was driven by Mr. King of the same race were not brutalized.

COMMISSIONER BERRY. Were there Koreans in Los Angeles whose businesses were not destroyed or who were not brutalized?

MR. WILSON. Yes, that's very true.

COMMISSIONER BERRY. Were there also tapes that have been made available—and I've heard on the television of police talking to each other over their radios and calling black people names all during this whole incident that many of us have heard, it's been on TV. As you go with each variable, I am just trying to figure out how you concluded in one case, based on what you saw on TV, without any hesitation, that it was a hate crime when Ms. Hughes told us that it was still being investigated, and yet when I asked you

about the Rodney King incident, you seem reluctant to, in the same fashion, reach a similar conclusion. I am just trying to draw a distinction here.

MR. WILSON. Well, obviously I should have taken the cautious approach that Ms. Hughes did in the original answer. The selectivity of the Korean businessmen among the community in the report that I heard talked about the hit and miss, the Korean, the next business was not and it was missed and so forth. If I had to make an opinion based on that, that's what I'd be forced to say, but certainly each individual case has to stand on its own facts.

COMMISSIONER BERRY. Were you aware that there were black business that were destroyed?

MR. WILSON. Oh, yes. Sure.

COMMISSIONER BERRY. Would you consider their destruction a hate crime?

MR. WILSON. I don't know. I don't know. Well, I saw on the tapes—

COMMISSIONER BERRY. I am having real trouble how to figure out how you draw these conclusions?

MR. WILSON. I saw a lot of the tapes where the offenders, the rioters, were white and other than black. So I don't know. I am not trying to, certainly, give any degree of attention to the Korean businesses over other groups.

COMMISSIONER BERRY. I am not objecting to that; I am just trying to see how you draw these distinctions.

MR. WILSON. Well, I had very limited—and I tried to qualify my answer—very limited information on which to base that personal opinion.

COMMISSIONER BERRY. The other thing I would like to know is are police brutality or incidents of violence perpetrated by police, if they are shown to be racially motivated, counted in your statistics as hate crime or not?

MR. WILSON. They are indeed. But not delineated.

COMMISSIONER BERRY. I beg your pardon?

MR. WILSON. They are counted, but not delineated by the occupation of the offenders.

COMMISSIONER BERRY. So we wouldn't be able to look at them and tell.

MR. WILSON. That's right.

COMMISSIONER BERRY. Also, Ms. Hughes, the numbers you gave us earlier about the reports of the CRS, there were 4,000 something or other, if I heard correctly. Then there was another number 200 and something, whatever those numbers were. Were any of those reports of hate crimes perpetrated by police?

MS. HUGHES. They may have been. I did not break them down to that.

COMMISSIONER BERRY. Could you, if you would mind, could you check and let us know that?

MS. HUGHES. Sure.

COMMISSIONER BERRY. The other thing is somebody said that, first of all, blacks were more reluctant to report incidents that occurred than were whites. I've forgotten who said that. Then somebody else said that there were increasing numbers of hate crimes perpetrated by blacks against whites and other kinds of interethnic hate crimes. I think you said that, Mr. Welch. I am trying to put those two together.

Would this mean that if we kept accurate statistics, we would be likely to underestimate the number of incidents in which blacks were victims and to overestimate the numbers in which blacks were perpetrators? If I am making myself clear—Mr. Ehrlich says that blacks are less likely to report things that happen to them than whites are. So I am just wondering, if we ever really got those statistics, and we kept numbers of reports, would we end up having all these reports of people who were attacked by blacks and hardly any reports of blacks who were attacked just because they did not report it? Would either of you care to comment on that? Did I get what you said right, Mr. Ehrlich, or wrong?

MR. EHRLICH. We really have to look at two things. One is the grounds for not reporting, and the primary set of reasons that people give us, and all these data are based on either face-to-face or telephone interviews with people, is that they try to deny that what happened to them was an act of prejudice, especially if it occurs at school or work where they have to go back to the same setting the following day. It becomes psychologically an important thing in their own mental health—I shouldn't say that—in their own attempts to adapt to their environment to say, "Well, it was really because of that person's personality. It wasn't, you know, it had nothing to do with prejudice."

The second reason why they don't report is because they don't trust the people who are

taking the reports. So in terms of changing the character of reporting, it's only at such times as those formal authorities, whether it's the police, whether it's the supervisor, whether it's an EEOC officer, and so on, it's only at such times when they've established their credibility and trust that reporting will increase.

I also want to comment on the white reports and that is—understand that a lot of whites are attacked by whites. When we talk about the level of white ethnoviolence against whites, often what gets smooshed together in the overall statistic is the fact, for example, that some whites are attacked because they are in an interethnic or interracial friendship or marriage, or because they've acted in defense of minority persons. Some whites are attacked for matters of ethnicity, being a Ukrainian, being Polish, being Italian, and so on. The white category covers a lot more dimensions than when you're talking about the reporting of African Americans.

COMMISSIONER BERRY. Yes, Mr. Welch.

MR. WELCH. One thing I am not as optimistic about is I don't know if it's going to be a couple of years before we have accurate statistics. Of those 30 States in respect to Mr. Wilson's answer or statement, I think a lot of those States, the cities within the States weren't reporting to the State agency. So still you've got a problem.

I think I heard maybe 11 States participated in what we can say may be as total as could be—most of the States participating with most of the cities within the State getting their information to the State agency that gathers this information. Maybe we can break it down a little more with something that Mr. Wilson has here, but it's my understanding that the majority of the States—as a matter of fact, there was a State or two that only had one or two cities within the State that reported. So I think we're going to have to do something to make it mandatory at some point because I don't ever believe we will have total participation in my lifetime if I know police departments around different States. I don't think we will have total participation in this; unless we do, we're still going to be hurting as far as accurate data in order to develop trends and be able to funnel money into troubled spots, and to tell us what's going on.

So I am a little bit more pessimistic about the time limit that we're going to have participation in this. That's one point I wanted to bring out. As far as the crimes that I was talking about, that's areas that do have a standard reporting system and have had it for a number of years, and that's where those came from.

COMMISSIONER BERRY. Do you have any information about infiltration of the Klan into police departments, Mr. Welch? Is that still a problem or not?

MR. WELCH. It's not as big a problem as it used to be. We have, since I've been at Klanwatch, we have broken up, one in particular, in the Louisville area of Kentucky, where an officer was a Klavern leader within a national Klan organization, and he had recruited several officers within that department. That's the most flagrant act I've seen as far as infiltration of a police department. There have been other incidental situations around the country. I think one in Texas, one in Florida that I can recall over the last few years. We do pay particular attention to that. If they are there, they are keeping it so covert that we have a hard time, or anybody else has a hard time, of finding that out. I am not sure it's as widespread an organized racism within the departments as it generally used to be.

COMMISSIONER BERRY. I wanted to ask anyone who cares to answer, but first would like to hear what Mr. Hordes has to say about this next question. You told us about these statistics and how they're done and the constraints and whether they're good, bad, indifferent and so on. But what do hate crime statistics, or what does our information about reports of hate crimes, what does it tell us about racial tension? If you have more, does that mean there's more? If you have less, does that mean there's less? And if it evens off, does that mean there's fewer? In the work that you do at B'nai B'rith, for example, the Anti-Defamation League, and then for any of the rest of you, what do you conclude about the existence or nonexistence of hate crimes in general on this whole subject we have here of racial tensions?

MR. HORDES. Well, as it has already been pointed out, statistics, unfortunately, are still fairly spotty and don't, by themselves, indicate the entire picture. We have been gathering statistics in the area that we have focused on, which is anti-Semitic statistics. We've tried to refine our approaches and procedures, but it is

difficult to get a really complete and accurate picture. I say that as a caveat. Moreover, I think statistics, in and of themselves, are not the only indices of the nature and intensity of the problems we face.

If I could make a generalization, I would say, based on a variety of factors including the statistics that we have gathered, we are concerned about growing numbers of hate crimes and instances of bigotry and prejudice. What we find is a growing tolerance of intolerance and a greater degree of tension. I think, statistics, certainly as I've indicated in the testimony, if we can get them more comprehensive, provide us with some of the raw data we need to develop solutions. But that, in itself, is not enough, and we at the Anti-Defamation League have made a major effort to develop proactive programming to deal with these problems before they begin.

We're very proud of this program which I referenced, "A World of Difference," which is directed primarily at the school systems of our country. It's a prejudice awareness program, prejudice reduction program. We have, over the last 6 years, trained over 10,000 teachers in our public school system, and we have now broadened that program into two different areas. One is a "Campus of Difference" to try to address some of the growing tensions that appear on the college campuses today, and also "A Workplace of Difference," where we try to work with both governmental entities and the corporate world in sensitivity training for their work force.

MR. EHRLICH. There have been some trends that are important to note. When you go and look at the agencies or jurisdictions that have been collecting data over a period of time, the State of Maryland, the New York City Police Department, the Boston Police Department, the Los Angeles County Human Relations Commission, and ADL, you can see that there has been an increase in reported incidents motivated by prejudice. Beyond that, what you can also see in all of these data is that there has been a shift in the kind of incident. That is, if you go back a few years, you will see that the major incidents were essentially property crimes, and now they're crimes against people, so that these incidents have, in fact, become more physically violent.

I want to emphasize that when it comes to counting, at the moment, our best guess is going to come from sample surveys whether it's the survey that Welch mentioned that Harris had done, whether it's the Urban League survey which I cited in Richmond and Baltimore, or whether it's our national surveys or our 14-college campus surveys. When you go around and take a sample of people and you ask them what happened—you don't have to ask everybody; you don't have to count all of the institutional reports; the sampling theory ought to be well established in 1992, by now—we know that we're talking about something like 40 million incidents at a minimum, not 1,000 incidents, not 100 incidents. We're talking about people who are reporting repeated victimizations over time, and when I am saying incidents, I am not talking about the repeated incident, I am talking about a single person reporting a single incident.

I would say, even as a researcher, you don't need any more research on this subject unless our purpose is to convince people who perhaps no amount of research will ever convince. The problem is, here, we really do have all of the data. We can argue about parts of it and we can get into methodological arguments and so on, but we're really talking about an epidemic problem, which if we had a disease entity that were hitting this proportion of the population, the Surgeon General of the United States would have called it a clear cut disaster.

COMMISSIONER BERRY. One of the things you just said, though, raises another question, because when we argued for this legislation and the Commission endorsed the passage of the Hate Crime Statistics Act, one of the arguments, as I recall, was that if we ever got the numbers and the reports, then it would help solve the problem because everybody would know how many there were. We would have good numbers and people would believe that these incidents were occurring. Now I am beginning to wonder based on your comment. You're saying that we have a pretty good idea already that there are a lot of these and that they happen. I've often wondered, too, because even CRS, if I recall correctly, and from your testimony, you've been reporting increasing number of reports to you of incidents over the last, what, 3 or 4 years or something?

MS. HUGHES. Yes.

COMMISSIONER BERRY. The hope was supposed to be that if we got numbers and they showed the numbers going up, then the country would pause and people would say, "Oh, my God, this is happening, we did not know this, and we will do something about it." Are you saying that that is too optimistic and that's too sanguine and that it's not just the knowing about it that helps? I guess that's what I inferred from what you said, Mr. Ehrlich.

MR. EHRLICH. Well, it's clearly not just knowing about it that's going to change the character of relations. Let me tell you an experience of the institute. When we called a press conference to release the findings of one of our surveys that indicated that 25 percent of college students were victimized at least once during the course of an academic year, we were covered extensively in all of the media, but most of the editorials that appeared basically attacked us for saying this, as if somehow or other we had made up the figure. The Associated Press ran a story that said, basically, the National Institute blames a million college student victims on President Reagan, which of course now trivialized the whole thing, made us look silly, and I am sure it did not embarrass the President particularly, but you know, just releasing the information in and of itself is not sufficient.

I think we seriously have to talk about, first of all, people occupying positions of legitimate authority, whether it's members of the Commission, candidates for the Presidency of the United States, college presidents, and so on, speaking out legitimating the kind of materials that those of us on the panel tried to present and getting people to break through the kind of denial that we can see, not only here with respect to hate violence, but with respect to affirmative action, with respect to the differentials in health care among the various ethnic groups, with respect to the levels of sex harassment, and so on and so forth.

COMMISSIONER RAMIREZ. Thank you. Commissioner Buckley.

COMMISSIONER BUCKLEY. If I could follow up. I'd like Ms. Hughes to answer first and then maybe the other members of the panel. We've heard this morning, especially in the first panel, and we heard in Los Angeles in some of the meetings that I was at, from black leaders and Korean leaders, that part of the problem in Los Angeles was, for example, the media kept showing the Rodney King tape over and over and over again. The media also kept showing the Latasha Harlins tape, but they would show only the part where the Korean woman shot the black girl in the back. They kept showing that over and over and over again. Now, as the CRS unit, when you go into a community and you hear this kind of media coverage over and over again, what do you do or what can you do, and do you try to work with the media at all in part of what you do?

MS. HUGHES. We are third party neutral. We don't go in there taking one side or the other. Our job is to bring the people together to the table to resolve their conflict without taking sides, nor telling them what their issues are. It's up to them to bring it up themselves. If we bring them to the table, and a conflict has to deal with this situation, for example, it's up to the people to bring that up and say because of this I am very upset and that's why I have demonstrated or whatever and I am not going to settle until some things are resolved here. It's up to them to bring that issue up, not up to us. So we are totally third party neutral, if I understand your question correctly. With the media we have not, to my knowledge, been involved in any case that has involved the media as a party.

COMMISSIONER BUCKLEY. Well, we specifically heard it from them. They were telling us this. In the case of the one Korean individual, they called the television station and they said, "You have a program that's 60 minutes long and for the last 45 minutes you have given the black perspective on this issue. At what point do you give the Korean perspective on this issue?" The response from the television station was, "Go back, sit down, watch the rest of the program; you're going to see a change." Well, they did and they showed like 2 minutes, she said, on this event and the Korean side to the story, and it was more about protesting the television station than about the burning down of entire shopping areas. It wasn't pinpointed; it was entire shopping areas, the whole thing. When you go in to a community, is there any way that you can have some dialogue with the media? Is there anything that you can do?

MS. HUGHES. Well, it's not for us to go, again as I said, and tell the media what they can and cannot print. It's up to the media. Again, I cannot talk too much about the case and what we're actually working on—this could be an issue—but I am just going to give you an example. We may already be working on it, but I can't say that, all right. If they, the Korean community, for example, come and tell us, "Here's a situation they won't help me resolve and they won't address my concerns and if they don't we're going to protest," now it's a communitywide dispute. I only get involved in communitywide disputes, not one individual's situation. It has to be communitywide as per my mandate. If that happens, then we bring the media and the Korean community together to resolve that conflict.

COMMISSIONER BUCKLEY. Okay. So then, I should go tell them if you're interested in getting this resolved, this is what you need to do. Is that what we need to do?

MS. HUGHES. Go call the Community Relations Service to help you resolve your conflict because you may not be happy with the media doing that and this is one way of resolving it.

COMMISSIONER BUCKLEY. So that's the angle they have to follow in order to get your help?

MS. HUGHES. We may even know about it through our own network, but if we don't know, that's one way of doing it.

COMMISSIONER RAMIREZ. Thank you, Commissioner Buckley. I am going to take my three questions and then I'll make time for the staff to make theirs and the General Counsel.

I was interested in knowing whether you have any data that indicates the socioeconomic distribution of both perpetrators and victims of ethnoviolence. I think one of the problems is that we always think it's something that happens to other people or the middle class will stereotype about the type of people who do this sort of thing.

The other is a little tougher to state. I am interested in permutations of motivation for hate crimes. It's a followup to the first question. What do you know about what drives people to different kinds of actions or incidents?

The third is, we have heard a great deal about an increase in ethnoviolence. We have also heard a great deal about a neglect, a denial of the problem. I am interested in having the perspectives of all of you about the relationship between national climate both in terms of public policy and in terms of, for example, the focus of religious organizations or the focus of social organizations and national, State, and Federal leadership, the relationship between that climate and the increased incidence of incidents of ethnoviolence. There are some who would argue that policies that promote race-targeted remedies lead to racial division. There are those who would argue that the absence of those policies would lead to that.

I am not asking you to come down on one side or the other, but just to discuss what, if any, relationship you think exists between those factors. I will let anyone who wants to lead off. Let me just say that I think we're not going to be satisfied if all that we hear from you are data. My sense is that you all know something deeper than the statistics about this phenomenon and I would like you to share that with us. Grace, do you want to lead off?

MS. HUGHES. On all three questions or just one?

COMMISSIONER RAMIREZ. Whichever one you feel like you know the most about.

MS. HUGHES. Okay. Well, the one answer I was going to give you, you have to wait to read my book and you'll get the answer to all of this because I do plan to write a book here on some of this. I would leave the data question to some of you all if you don't mind, and I wanted to get into some of the motivation and some of the politics. There are so many different factors on why people hate. It's not one, it's not two, it's not even three; there are just so many. We, unfortunately, at the Community Relations Service, that is one of the things I wanted to set us up into kind of a research arm to substantiate some of the other reports, as well as our own incidents, to make them a little bit more scientific, but an alert is an alert. So as far as I am concerned that is very scientific for purposes of our work.

There are just so many different motivations and I wish that I could give an answer today about one, two, or three. You and I grew up in south Texas and we know the discrimination you and I encountered and maybe I might have suffered it more than you did or whatever, the point is we both did. In south Texas, for many different reasons that people hate us, but the bottom

line is because we were Mexican. Then we had to figure out, well, why is that because I am Mexican that they hate me? Is it because I have a dark skin, because I have an accent, because they all think we're migrant workers and migrant workers are bad? You know, what is it? You try to figure it out and you can't. So, I don't know that we all know that answer other than these are the reasons why people do it, because they're black, because they're brown, but what is it about me that's brown or what is it about me that's black that makes people hate me? Because they have me stereotyped? People think all Mexicans are "wetbacks" and that's bad? So what is it about a "wetback" that's bad? I don't know. I wish I did. None of us can tell that.

Is it because they have a stereotype that we are all on welfare and that we're cheating the government and that we ought to go out there and work? Is that why they hate us? There are so many stereotypes; there are so many factors; there are so many thoughts out there. But the point is that it is there, and unless it's agencies like us that bring people together and groups like you that have hearings like this that bring awareness to people about the incidents and we try to do something about it, it's going to continue. So I applaud this kind of hearing because people need to know that these incidents occur.

More people now, I think, are reporting incidents. I know when I was growing up if somebody had called me a spic, I probably would have never reported it. I would have been scared to death that there would have been retaliation on me or my family because of that. I think more people are more courageous now and will report it, so thank goodness for those kinds of people who come forward.

I think what amazes me is also the kind of hate crimes that occur on college campuses. A lot of our incidents are coming now from college campuses. Maybe they were there all along but no one reported them, but they're reporting them now and they're very, very serious incidents as far as I am concerned. So what motivates them to do that today? Is that because it's competition? Is it because now we as minorities are more out front where we weren't before? We were in the back of the bus; we were in the field picking cotton. We were not the student council representative in a university; we were not making those 4.0 grades. Maybe now people feel threatened by it. Is that a reason? It could very well be. That's just one of the many.

The point is that we are now in a position where we are threatening somebody and maybe somebody's own inadequacy feeling with themselves that they do that. That's another thought and I could go on and on, but I have to give other folks some time, so I don't want to do that. That just gives you an idea. I don't know that any one policy in here would ever create this kind of a situation. I don't think that anyone waits for a policy or reads the newspaper and says, "Ah-hah, there's a policy passed over at the Department of Education about scholarships or whatever, so I am going to start hating people." I don't know that people actually do that.

They hate out of ignorance, out of stupidity and a policy, I don't think, drives them. Maybe some it does. Like I say, it doesn't drive all of them. But I don't think that those haters, the real haters, actually sit around reading the *Congressional Record* or the *Federal Digest* to see which policy has changed today to give them the license to run and hate. They hate no matter what. So I don't correlate policies of anyone—State, local, or Federal Government—with giving people license. I think it's there already. I think the more incidents they see and that people are getting away with it, that might be a situation where they say, "Well, they got away with it; maybe I can do it. They went and burned a cross on a black family and the black family moved. They succeeded; so let's keep doing it." I think that motivates it more than any policy that they're reading anywhere else. That's just my idea. I am sorry, I'll give you all time to respond.

MR. WELCH. I think it is complex and I don't think anybody here is going to have an answer to it, but I think there are a lot of stabs we can take at it. I think economics has always played a part in racial problems. I think that we've got more adversity in this country now than we've ever had at any time. I think really our educational systems have failed because we have no effective programs in schools to teach children about our growing diversity in this country. There is still segregation all over this United States where you have pockets of ethnic groups here and ethnic groups there, and ignorance of

one another breeds hatred. When you're vying for the same jobs, it creates hard feelings. I think there are just a number of factors.

I think on college campuses you can have something as simple and basic as some neo-Nazi group saturating 500 newspapers with propaganda overnight, and some kid picking it up and reading that affirmative action is the cause of this, that, and the other. There are so many factors that breed racism and which cause hate crimes that I don't know of anybody having a solution to it. I do think everything that we've talked about today can help combat it—from the Hate Crime Statistics Act to education—and I do believe that ignorance is one of the main motivators for racism. I don't want to sound like a broken record on education, but I do think that that is one of the primary means of combating racism, not education alone, and not a short-term solution. It's going to take a while, but I do think it's very important, maybe the single most important issue. These others, effective law enforcement statistics, which by the way, I do think are very worthwhile, all of this has to play into the war against racism and the racial hatred.

MR. WILSON. I'd just like to make a very brief comment because your statement was so important, I believe. Statistics alone don't tell the complete stories. It is merely one dimension out of very many that have to be looked at. Secondly, understanding the deeper aspects of prejudice is ultimately important for all of us and all of those who are involved with this problem. We spend a day and a half training police officers in this hate crime statistics program. If it were that we only had to talk about logistics, how to report it, now that's covered in an hour and a half. Less than a day and a half is spent on discussing the psychology of prejudice, what it is, how it manifests itself, and all the different types. We employ a psychologist to help with this effort and the human interest groups have also provided input into that. So your statement is crucial in this whole effort.

MR. HORDES. I would concur with many of the statements that have been made. It seems to me that the problem of prejudice and bigotry is, unfortunately, an eternal one. It's one that we are going to be dealing with in the future as people have dealt with it in the past. I could speak as a Jew. Anti-Semitism is something that has been dogging the Jewish people through the millennium. We seek to develop programs, we seek to educate, but it's there and I think what we need, as a people and as a society, to be eternally vigilant and creative and concerned about dealing with this problem. I think that you deal with it through a variety of mechanisms. You deal with it, I think, primarily through education, through making people understand the other person better, understanding differences and appreciating differences.

We are a multicultural society; we are a very diverse pluralistic society; we need to know each other better; we need to have pride in our own ethnic and religious backgrounds. We need to help people, I think, on the basis of cultural disadvantage or educational disadvantage and attempt to deal with society's problems that way. Law enforcement is important in making sure that people who are perpetrators are not reinforced by getting away with their crimes. I think this Commission has a very important mandate; we need to maintain a great deal of vigilance and we need leadership at every level. We need it at the Federal level, we need it at the State level, we need it at the local level. We need it not only in government but also through private organizations and community organizations.

COMMISSIONER RAMIREZ. Thank you. Before I ask Mr. Ehrlich to respond, I want to remind you that one of my questions had to do with socioeconomic distribution in terms of both the perpetrators and the victims of ethnoviolence. I am sure you have the answer, right?

MR. EHRLICH. As far as I can tell, there are no socioeconomic differences among those people who are victimized. In terms of perpetrators, as I indicated in my prepared remarks, I honestly feel that people who talk about the characteristics of perpetrators based on random collections of materials are doing us a disservice. We know that we don't know who the perpetrators are. To generalize from that small subset of people who are either dumb enough to do it publicly or get caught, I think is a gross error and will just mislead us in terms of building policy. It's not just a bunch of white teenage gangs. Most of my data indicates that most incidents are individuals working alone, not as gangs, not groups of people. If you try to build policy on the basis of

this kind of bad data, you'd have bad policy, and that's why I've made such a big point of emphasizing the whole issue of the quality of the data that you have.

Your questions are overwhelmingly broad and good. Let me tell you that I start from the perspective that prejudice is a learned behavior and that it is learned so early that we can see its manifestation in 3 and 4 year olds. Even though 3 and 4 year olds cannot reliably distinguish skin color or gender differences, they still have come to learn that there are some good and bad things associated with this. They learn it through their parents, they certainly learn it through television which they've already begun watching by that age, and they learn it when they get into the schools. We'd better not just talk about education in that broad sense because the schools are conceivably one of the major perpetrators in the sense of communicating the kinds of stereotypes you want to fight about or want to fight against.

It's the character of education. One of the programs that the Southern Poverty Law Center started has been to direct a program at teaching, specifically teaching tolerance and mechanisms of dealing with intergroup tensions. So let's be careful when we talk about education—we're really trying to talk about how we design educational opportunities and experiences so as to teach people about group differences, how to resolve conflicts, how to recognize stereotypes. Nobody can grow up, as far as I am concerned, in this society, without learning the dominant prejudices of the society.

The question is that some people act on these and some people don't. Those who come to act on these presumably do so because they're in a community or in a group in which these actions are normative. They're reinforced, supported, and so on. That's the point at which we have to learn how to intervene, namely, to make sure that it is not normative. I put a great deal of emphasis on people in positions of prestige and authority making statements that help young people break away from what they see as the norms of their own group, and I don't think that I've seen enough of that over the last 20 years or so, so that kids have grown up really thinking it is appropriate to act in this way.

When a columnist—a syndicated columnist in the *Washington Post*—could write a column only a couple of years ago on the etiquette of ethnic jokes in which he concludes it's perfectly all right to tell an ethnic joke as long as you're not embarrassed about it—mind you, not focusing on the effect on others—we've changed the norms of behavior because I don't think that column would have been printed 15 or 20 years ago. So it's those norms we have to deal with.

Let me just segue into another part of your question. There are larger socioeconomic issues that support these kinds of attitudes. We know, as I think one of your speakers later today will talk about, that our residential areas have become increasingly segregated. The opportunities for favorable interaction then have become far more restricted. In terms of the decade of 1980 to 1990, it's the second largest period of immigration in American history. Now, saying that, we can ask ourselves as social scientists and as professionals in this area, we knew what was going on. Where were the community workers and the human relations workers that were beginning the kinds of multicultural education that would prepare young children and adults for these new waves of migrants? We can predict, pretty successfully, where the new migrants are going to settle from the older patterns of settlement.

I know of almost no proactive programs in the country that dealt with this. So now we have to go in and put out the fires. It becomes that much more difficult to establish a human relations program after an incident has occurred. So I don't think that we've really used the knowledge that we've had because I honestly believe there has been a general governmental and leadership unwillingness, and I mean leadership beyond government leadership, to do so.

COMMISSIONER RAMIREZ. Thank you. Mr. Staff Director, do you have any questions?

MR. GONZALEZ. Yes, Madam Chair. I am a little bit concerned having heard the previous panels talk about the need for vocabulary or terminology or language. Let me see if I understand Mr. Welch—you indicated that in the statistics gathered there is data that's classified on the hate crimes against whites; is that true, sir?

MR. WELCH. Yes.

MR. GONZALEZ. But you're saying that in the case of a white person that interjects himself or herself in say the beating of a person of color by other whites, if he or she is then beaten up by those whites, that would be classified as a hate crime against the white?

MR. WELCH. I don't think I said that.

MR. GONZALEZ. No, I am saying if that were the scenario, would that be classified as a hate crime?

MR. WELCH. Like Mr. Wilson said, you've got to take each individual incident separately. You can't just broadly say that every white person that jumps in a conflict and is beaten up is automatically a victim of a hate crime. As a matter of fact, he's even got things with examples here of how some of these work. I am not sure, personally, how that would work, if a white person is what you're saying.

MR. WILSON. Yes, sir. The bias motivation on which any hate crime that is committed is delineated in the hate crime statistics program, if it's racial, we know the "anti" part of what's racial. Antiwhite, antiblack, anti-American Indian or Asian/Pacific Islander, or antimultiracial group may be a motivation by some offenders. If it's ethnicity or national origin, we break it down by type of bias whether it's anti-Arab, anti-Hispanic, and on and on. Prejudice is the same way.

MR. GONZALEZ. I think I understand that, but let me see if I can set a scenario for you. If you are the police officer involved at the scene of the crime and there's a white person that has been beaten up by whites and one of the white perpetrators says to you, "You know we beat him up because he's a nigger lover," would you consider that a hate crime?

MR. WILSON. Yes, sir. It would be antiblack even though the victim, per se, is white. The hate is against black.

MR. GONZALEZ. So you would put it in the hate crime against black category?

MR. WILSON. That's right.

MR. GONZALEZ. Not in the hate crime against white?

MR. WILSON. Exactly.

MR. GONZALEZ. Okay. I needed to understand that because I thought maybe you were using poor statistics. Grace—and I think I can call you Grace instead of Ms. Hughes.

MS. HUGHES. Since you used to be my supervisor, I guess so.

MR. GONZALEZ. Your agency is part of the Department of Justice and I suspect that after the King incident you got involved with the community, you acted as an arm of the Department of Justice but in an independent way, I guess. Is that true?

MS. HUGHES. Never independent from the Department of Justice.

MR. GONZALEZ. But within the Department of Justice, independent in that sense.

MS. HUGHES. We work very closely with the FBI. We have a very good relationship with them. We coordinate a lot of our work. We don't obviously do what they tell us or vice versa, but we coordinate.

MR. GONZALEZ. Right. Now, did that relationship change after the riots with the introduction of FEMA and SBA and so forth in terms of your involvement as part of the task force? Did it take away some of your independence in terms of how you carried out your functions?

MS. HUGHES. No. In fact, it enhances it and in fact—I can't say a lot of the things we're doing right now—but we're working with the Federal agencies very closely.

MR. GONZALEZ. But your employees get direct instructions from you or their supervisors or in that development of a task force with other agencies involved, is there someone that they then respond to other than someone working with CRS?

MS. HUGHES. In this particular case we have. They always answer to the regional director and the regional director answers to me. In this particular case, because we have a special operation set up right now, the head of the operations in Los Angeles is answering to me.

MR. GONZALEZ. So at no time were your employees taking instructions from FEMA?

MS. HUGHES. No.

MR. GONZALEZ. Or from SBA?

MS. HUGHES. No.

MR. GONZALEZ. So their participation in the disaster assistance centers was, again, as an independent body as opposed to taking orders from whoever headed up that task force?

MS. HUGHES. Part partner with them, but not to take orders, no.

MR. GONZALEZ. That's all I had.

COMMISSIONER RAMIREZ. Thank you, Mr. Staff Director.

MS. BOOKER. Thank you, Madam Chairman. In the interest of time I would like to ask for certain information to be submitted for the record, if you would. Mr. Welch, you've been with Klanwatch, I believe, since 1985 and before that you were a Montgomery Alabama policeman for 10 years. I wonder if you would agree to give us something for the record on any differences that you may have observed over this period of time in the activities of the Klan and the makeup of the Klan, the age of recruitment, and any other observations you may have.

MR. WELCH. Well, first of all, if we're just talking about the Klan, those 340 some odd groups we monitored last year, a very small percentage of those were actually traditional Klansmen. That is one aspect or segment of the white supremacy movement that I guess we can say has not significantly grown. You know, there is sporadic growth within an individual Klan group here and there. But when you look at the entire white supremacy movement, we're talking about neo-Nazi Skinheads which obviously have been a big hit in the white supremacy movement overall. They certainly have breathed fresh air into a dwindling membership over the past few years.

I think regionally we have changes yearly as to activity. These groups are, like almost any other organizations, almost as good as who leads them. If they have a dynamic leader, like the case with David Duke, say, in the early 1970s for an example. He took over a group with probably less than 1,500 members, the traditional Klan at that time, and built it up to 12,000 to 14,000 in a matter of 2 or 3 years really based solely on his organizational skills. So that's what we're faced with—us and ADL and those who monitor these groups—is a continually changing organization within this group or within this movement. That's one of the reasons why independent organizations such as ours and ADL's and one or two others are very important because you have no one law enforcement agency that covers the whole national white supremacy scene. You know, Washington might know what's going on in Washington, D.C., or a better example may be Baltimore in Baltimore, but they don't know what's going on in the State of Maryland. Some State agencies don't even have antiterrorist units. They don't even know what's going on in their own States. So we try to, I guess, supplement them with intelligence.

Within the movement itself, we're seeing groups like—well, say Tom Metzger, for instance. As a matter of fact, I got some quotes that I was reading this morning for a publication that we're going to do in a couple of weeks. I had had one of my researchers do quotes from the white supremacy movement leaders on the reaction to the Rodney King incident and the Los Angeles riots. I think most people would be a little curious and maybe surprised at some of these quotes.

In California, Tom Metzger, for instance, one of the foremost white supremacy leaders in this country who heads an organization called WAR, the White Aryan Resistance, said, "Well, if those police officers would beat that black man like that, he would beat you. We're no friends of law enforcement, we're no friends of George Bush and I don't care if they burn L.A. to the ground. Period. Beverly Hills included."

I mean, 20 years ago you would have heard nothing but attacks on blacks for burning down stores and rioting. Nowadays it's one of the focuses of the anger. The white supremacy movement is not just an antiblack situation now. It's anti obviously anybody that's not Aryan. It's anti-Danny Welch because I work for Klanwatch. It's antilaw enforcement in general and it's antigovernment, period.

Metzger and some of the new leaders in the movement say, "We're not Republicans and we're not Democrats. You know, they've done nothing for us." As a matter of fact, they wouldn't dare pull for David Duke for anything. They think he's a sellout, he's a traitor. These are the trends that we're seeing over the past decade. You're getting away from the stereotypical Klansman as being a redneck, beer swiller on the weekends from Mississippi to maybe a member of the Aryan Nations from Nebraska, who believes in a whole different concept of white supremacy and that's the concept of, you know, it's not between us and minorities. Maybe one group would say it's between us and the Jews because they control the minorities or whatever. So many of them have their own ideas, their own philosophy, and it's a very complicated task keeping up with 300 and some odd organizations when almost every

one of them has some changes in what they believe and how they believe it and how they anticipate furthering their cause.

We have about two factions in the movement that you can say that are major factors. One, there's an ongoing movement to legitimize the white supremacy movement. One of the largest Klan groups—we're talking about traditional Klan groups in America—is headed by a man name Tom Robb who is a former minister and who still calls himself a minister of the Identity Religion, who says that "We don't hate minorities. We're not haters. The Knights of the KKK are not haters at all. As a matter of fact, we just love the white race; we're here to fight for white interests which we feel have been trampled over the past few years through affirmative action programs or whatever." This is the tactic he's taking, and believe it or not, as farfetched as it sounds, it gained him recognition, especially media attention. He's probably the only traditional Klansman that's had significant growth in years. It's because of these lines he's taken. He gets on TV and he talks about not I hate blacks, or I hate Jews, or I hate Hispanics. "It's affirmative action that's killing this country." Well, a lot of people, average citizens, don't believe in affirmative action. "Economically, the United States is depressed. The present administration has failed us." I mean this is talk from a Klansman and he's trying to gain the ear of average citizens who do have problems with, say drugs in schools or violence on the street. These are the issues he's talking about, but he's doing it for a reason and he's trying to gain membership. He's getting free publicity, all the free publicity he wants because all the networks are going to eat this up. When he goes to Denver, for instance, back in January, and has a march in the State capitol with 100 Skinheads, and all of a sudden they have 1,000 counter-demonstrators, and they're the ones turning over the police cars and doing the rioting. Well, he tries to capitalize on this. They meet beforehand and say, "God, I hope we have these counter-demonstrators who act crazy because we're going to capitalize on this." And they do.

Then you have another segment, the other major portion of the white supremacy movement who is more subversive. They're covert; they're called the Fifth Era. The Fourth Era was a time and a phrase coined actually by David Duke and some of the people with the Aryan Nations, which was a time of high publicity, media attention. The Fifth Era was to be a time of secrecy, of covert activities: "We do nothing but get burned in front of the media." This segment of the white supremacy movement is strictly underground. They do their paramilitary training and they believe in a coming race war or revolution in this country. Some people tend to laugh when they say, "Hah, a race war, how can we have a race war like this?" I don't think people laughed too much in the mid-1980s when an underground organization called the Bruders Schweigen went undercover and got over $4 million in robbery and counterfeiting money to finance this race war, and the majority of that has never been recovered.

So basically, that's the two major factions we're dealing with within this 340 some odd groups and including the Skinhead movement, the neo-Nazi Skinhead movement, who have created havoc and been responsible for most of the violence perpetrated by organized white supremacists. Not to throw people off key, as Howard said, most of the violence is not perpetrated by organized racists, it's vented by individual racists. That's it in a nutshell. I could talk for hours on that.

COMMISSIONER RAMIREZ. Thank you.

MS. BOOKER. Just one more, completely unrelated to that question, if anyone would like to send us a written response or just give us a brief answer here. I wonder do you think that there is a need for a national system of collection of police brutality complaints with appropriate analysis and followup?

MR. WELCH. I'll take a stab at it, just to start this thing. I thought there was through the FBI, first of all. Police brutality complaints, I think, and I might be wrong, are supposed to go to the Justice Department. I think there's definitely a need for it, especially in light of the situation involving Rodney King, which has brought the situation to the focus of attention and in such a drastic way that there is a problem. How widespread this problem is, I don't think we will know unless there's some kind of national system, a reporting system to possibly develop a trend in that. So I think there is a need for this in some form or fashion.

COMMISSIONER RAMIREZ. Commissioner Anderson, was there a final short question? Brief question, to be answered briefly.

COMMISSIONER ANDERSON. Yes. Maybe if I could ask Mr. Welch this question and I hope you can answer it candidly like Mr. Wilson answered one of my earlier questions. I try to make some sense out of this. This Commissioner, and some of my colleagues here on the Commission, about a year ago felt very strongly about the use by the Los Angeles Police Department of pain avoidance techniques against peaceful demonstrators. In particular, there were instances of a demonstrator having his arm broken with numchucks, for example. Now, to abstract from specifics of a particular police department we're trying to make sense out of a jury verdict where a jury's come out and said, "Well, this individual could have stopped the beating just by doing what the police officers had asked him to do, that is not to get up." In one case you have an individual hurt because he, for strength of willpower or intoxication or drug abuse, does not comply and therefore does not avoid the pain, he doesn't get up and move. Another individual does not comply to avoid the pain by getting down and stopping moving. So in a sense you have a policy that's neutral on its face, but it can be applied in such a way that leaves so much discretion.

Is that kind of a policy something that we ought to be looking at as a technique used by law enforcement which, when you see it on video or whatever, disgusts people and convinces them immediately that it is wrong and it is unjust. But when you get into the rarified atmosphere of a courtroom, when you're trying to bring your criminal prosecution beyond a reasonable doubt, then you've got a technique which says "Well, he could have avoided the pain or avoided what happened to him just by complying with the officer's command." Does that kind of technique have built into it the possibility of racial abuse, something we ought to be looking at, or is that, something that can be handled by training or something like that? Am I making myself clear at all?

MR. WELCH. Well, no. I think having been a police officer and now doing something totally different, I can say that it's very hard to say specifically that you have to do this in every situation. For instance, the Rodney King incident—and I am like everybody else—I saw one part of a video and I think there was a way to avoid that. I think it was the most brutal thing I've ever seen. If they said that this man could have avoided this by, what, staying down, well, you had 12 or however many police officers standing there. I don't know why four of them did not manhandle him and lay him down instead of standing back hitting him 50 some odd times with a nightstick. I don't understand that.

Maybe out there on the street they wanted him down for a specific reason; I have no earthly idea. I know other places you might be in a situation where there's a crowd around and you don't want somebody to stay down. You might have to say, "get up," for instance. I don't know that you could standardize a policy if you're saying, particularly relating to somebody's actions, what they should do right then and there, but I think that's going to be within the individual discretion of the officer based on where they are and what the situation is. I would hope training, in particular, training sections of law enforcement agencies around this country would capitalize off of this whole scenario that we've been through over the past few months involving the Rodney King incident. I can almost say without seeing the rest of the video that I don't understand how they came out with a verdict like that, and how they can say, well, had he done this, it wouldn't have happened when you've got 12 grown men standing around 1 man. You can't tell me four people cannot have that man be still if that's what they want him to do, by simply laying their hands on him and not hitting him. As far as standardizing a way to deal with a prisoner, I don't think that's possible, to be honest with you.

COMMISSIONER RAMIREZ. Thank you, Mr. Welch.

We have been trying to stay on time. We are now 15 minutes behind schedule. We will take a 5-minute recess and then return with the next panel. I want to thank the members of the panel for their time and their insight today. Thank you very much.

[Recess.]

Changing Demographics Panel

COMMISSIONER RAMIREZ. The staff will ask the members of the Commission to join us. We do have a panelist who will have to leave shortly and it will be important for us to get started. Will the General Counsel please introduce the members of the panel?

MS. BOOKER. Thank you, Madam Chairman. We have William O'Hare, Evelyn Hu-Dehart, Gary Sandefur, and Nancy Denton. Will Professor O'Hare please begin. Introduce yourself for the record.

Statement of William O'Hare, Director of Population and Policy Research, University of Louisville

MR. O'HARE. I am William O'Hare. I am a research scientist at the University of Louisville. Let me thank you for this opportunity to talk about demographics to this group. I appreciate the opportunity.

I think there are two characteristics that epitomize changes in the minority populations in the 1980s that I want to talk about; one is rapid growth and the other is increased diversity. Let me say a few words about each of those trends and then a couple of comments on some of the implications. I am sure other speakers will amplify some of those.

First, let me parenthetically just note what I mean by racial and ethnic minorities. I am following the pattern that is used by the Census Bureau and talking about African Americans who number about 30 million, Hispanics or Latinos number around 22 million from the 1990 census, Asian Americans and Pacific Islanders who number just over 7 million, and then American Indians who were slightly under 2 million in the 1990 census. When you put all those groups together it amounts to about 61 million people and about a quarter of the U.S. population. So that's the group that I am talking about in my demographic perspective.

I'll first note that, in 1980, the collection of people in those groups was about 46 million, and in 1970 it was about 34 million, so there has been substantial growth, almost doubling in the 20 years from 1970 and 1990, in that collection of minorities. Just between 1980 and 1990, minorities have accounted for about two-thirds of our total population growth in the decade, compared to about 50 percent in the 1970s. So, obviously, they are a growing and significant part of our national population. To phrase that change a slightly different way, the number of minorities increased by about 32 percent; the number of Anglos or non-Hispanic whites increased by about 4 percent during the decade, to give you a little bit of perspective on the relative growth rates of these groups. The major point is that there is a large and growing group that is becoming a larger part of our national population and our national character, and will continue to do so in the future according to all of the trends that I've seen.

The second point that I want to talk about is increasing diversity in this group of 61 million Americans. I might parenthetically say that because they are undercounted heavily in the census there are actually more like 63 or 64 million as of 1990, but we will stick with the 61 million reported by the census. The demographic trends and some other socioeconomic trends have led to a more diverse minority population than was the case a generation or two ago. One of the keys to this new diversity is what's often referred to as the "new minorities," and particularly Asian Americans, Pacific Islanders, and Hispanic groups that are growing very rapidly. As you may know, the number of Asian Americans more than doubled between 1980 and 1990 and the Hispanic population increased by more than 50 percent over that decade. So those groups are growing extremely rapidly. As a point of contrast, the black population or the African American population grew by 12 percent over that period.

One of the implications of the rapid growth of these new minorities, Asian and Hispanics, is that those groups are made up of a lot of distinct different subgroups. For example, the Hispanic population is easy to identify: Mexican Americans, Puerto Ricans, Cubans, a rapidly growing group of Central and South Americans, which are often put together, at least in statistical terms and sometimes in other social terms. Those groups often have very different experiences and are viewed differently by the public, I believe, by the Anglos.

Secondly, the second group, the Asian Americans, may be the most diverse group of our

minority groups. There are at least six groups within the Asian population that have a half a million members. Let's see if I can get them from the top of my head—Chinese, Japanese; Korean, Vietnamese, Filipino, and Asian Indian. If you think about them for more than a minute or two, you realize that oftentimes they have very little in common other than a national original on the continent of Asia. Diversity within that group demographically is something that has characterized the growth of minority population during the 1980s.

One aspect of this which probably comes quickly to mind when I mention those groups is immigration, and immigration has been a key factor in the growth of those groups during the 1980s and 1970s, for that matter. Roughly speaking, about 75 percent of the Asian and Pacific Islander growth in the 1980s was due to immigration, and about half of the Latino growth in 1980s was due to immigration. A lot of people don't realize that almost a sixth of the African American population growth during the 1980s was due to immigration from Africa and the Caribbean. A number of people I've talked to and some things I've seen suggest that those foreign-born minorities tend to be different or view things differently than native-born minorities on some issues and some vocations. So that adds more diversity to an already diverse, growingly diverse population.

Partly because of the immigration of these new groups, I think there is a growing diversity of social and economic status within this minority population, the 61 million people that we put together as minorities in, at least, statistical terms. I think one conception of minorities, at least a generation ago, was that they were universally poor and powerless and that conception is no longer universally true. Certainly they have higher, disproportionately high, poverty rates, but there are growing segments that are certainly middle class, sometimes well off, and gaining in political power, certainly still underrepresented, but gaining nonetheless.

There's a couple of statistical points on this issue.

Let me just mention that the median income of Asian households is about 15 to 20 percent higher than that of Anglos in 1990. I want to emphasize here that these are statistical averages and there's a great deal of diversity across these groups that needs to be recognized. As a demographer I am prone to use statistics, but I am also reminded of the law of statistical averages, which was one time portrayed to me that if you have your foot in a bucket of boiling water and the other foot in a bucket of ice water the law of statistical averages says you are very comfortable.

There has also been an increase in the number of affluent black and Hispanic households over the last decade that has not been widely appreciated, I think. Many times, I tend to focus on the segments of those populations that are most in need and most impoverished, but there is a growing number of black households that have incomes of $50,000 or more, to use a reasonable cut off. The number of such households has increased by 75 percent over the 1980s, and there are now about 1.3 million affluent black households, to use that $50,000 cut off.

Hispanics have also seen an increase of about 80 percent in the number of affluent households over the 1980s. In both cases, some of that increase was driven by larger population sizes, but it's also driven by larger percentages of those groups moving into the affluent categories. There are some parallels in terms of political power that go along with those economic powers, a black governor in Virginia and mayors in many of major cities that are black or Hispanic.

Obviously this has a lot of implications—it's an enormous topic—and I just want to mention a couple that occur to me as I think about this topic and go from there. The first is that the typical conception of American minority that most Americans hold in my view is no longer adequate. Most views fall into one or two categories. I think the first one is the European model where the Germans and the Irish and the Polish and the Italians came here and after a generation or two, those differences became pretty minimal or indistinct, and that kind of melting pot image of minorities is one image that is often used to think about minority populations.

The second image is the one that I'll call the black or civil rights image, the image of the 1950s and 1960s where minority populations were viewed as a universally oppressed and impoverished powerless group. I think neither one of those images fit the realities of the 1990s and

the new demographics of the 1990s. There are immigrant groups, some of whom are doing relatively well. While some are moving, at least economically fitting the melting pot image, there are other segments within those same groups that are native-born, impoverished, powerless groups who aren't fitting into the melting pot image that has dominated one view of this group. The melting pot has not worked for them. I think we need to step back and realize the complexity of the minority population as it exists in 1990 and reconceptualize what it means to be a minority and perhaps reshape public policies to accommodate that reality.

The second comment, actually a couple of comments, has to do with intergroup relations and how this changing situation has affected intergroup relations in our country. I think there are two kinds of intergroup relations that are important to talk about. One is the relationship between the majority and minority populations, and here I think this growth of the new minorities, Hispanics and Asians, has forced some of the Anglo community, the non-Hispanic whites, to rethink what it means to be a minority and to think about their conception of minorities in ways that they hadn't a generation ago.

The second kind of intergroup relations that are important because of changing minority demographics is relationships among the minority groups. There certainly are some opportunities for coalition building, but there are also some tensions that often arise in those situations. It's hard for me not to believe that those growing new minorities haven't had some role in elevating tensions in Los Angeles and Miami and New York and Washington, D.C., and that demographic changes along with the economics that accompany them are one of the factors in what's going on in American cities, particularly during the 1980s and into the 1990s. Obviously there are a lot more implications, there's a lot more complexity to the situation than these numbers portray, but let's stop there and let the other panelists take up those.

CHAIRPERSON FLETCHER. Thank you very much.

Statement of Evelyn Hu-Dehart, Director, Center for the Study of Ethnicity and Race in America, University of Colorado at Boulder

MS. HU-DEHART. I am Evelyn Hu-Dehart from Boulder, Colorado, director of the Center for the Study of Ethnicity and Race in America and also professor of history.

I want to say that I may be the one person on this panel who is an immigrant. I came to the United States with my family in 1959 before the big wave of new Asian immigration. I am also a Latin American by profession. I teach Latin American and Caribbean history. Now I direct the center, which has all the four major ethnic studies programs. So for personal and professional reasons, I am obviously very much involved and very interested in the changing demographics of this country, being a part of those changing demographics personally. I think that the big story, it seems to me, in the changing demographics in this country are two that I'll go a little bit into: one is the enormous increase in the Asian American population and really rather suddenly. The second story which I think Gary Sandefur will talk about is this big jump in the Native American population, but I'll leave it up to him to explain that one.

Now, the Asian American increase can be explained fairly easily. It's mainly through immigration since 1965, the result of several factors which we can also identify quite clearly. One is the change in immigration laws, which until the middle 1960s had been based on national origin quotas. Up until 1960 there were under 1 million Asian Americans of all groups in this county, under a million. That, in turn, was a result of a long period of Asian exclusion in this country from 1882 until the 1950s. Until, really, my family started coming over at the very beginning of the new Asian immigration, no Asians were allowed to come to this country. In fact, Asian Americans were the only people designated by race to be specifically prohibited from entering

this country. I think we should also bear in mind that the U.S. naturalization law which was in effect from 1790 well into the 1950s specifically barred nonwhite immigrants from attaining citizenship through naturalization. Those are the historical facts to keep in mind.

What else has contributed, then, to the rapid increase in Asian American immigration since the 1960s? Another, of course, has to be the U.S. intervention and involvement in the wars in Southeast Asia, which devastated societies there and created a kind of immigration that we call refugees. So, many of the new Asian immigrants to this very day are not just immigrants in the same tradition of European immigrants coming to American shores to seek new opportunities in life and who come here voluntarily, happily, willingly, etc. Refugees in general, and I can relate to that because my family were refugees, usually leave their homeland very reluctantly and usually bear in mind that there is no going back if things don't work out, oftentimes, because there are no homelands to return to.

Finally, I think the third factor is something we don't think about very much and rather ironically is the kind of postwar development that has taken place in certain Asian—particularly Southeast Asian—countries, a development that we seem to applaud and set up as examples for other developing countries to follow. I am specifically referring to the kind of development that has taken place in Taiwan, Hong Kong, and South Korea, for example. What's interesting about the kind of development that has taken place in these countries since World War II is that while they have created dynamic economies and educational opportunities for their citizens, at the same time, they have also produced a brain drain from these countries. A fact of the matter is the kind of economic development associated with so much of Asia also does not have a place for very ambitious and upwardly mobile, highly educated professional people because much of these economies rest on manufacturing and the kind of low-skilled assembly type of work that, in fact, does not provide professional personal satisfaction. So I think if you bear that in mind, it helps explain why so many immigrants have also come here from places that we generally think of as places with dynamic economies like Taiwan, Hong Kong, Malaysia, even Singapore, and South Korea especially. So the big story then is this increase in Asian American population, which you've heard from Professor O'Hare exceeds 100 percent. By the way, it's been a sevenfold increase since 1960, from under 1 million to over 7 million in that 30 years.

The other thing that Professor O'Hare also referred to that I want to emphasize is the enormous diversity in this population. It represents people from 20 to 30 different countries, not a single language in common, not a religion in common, no culture in common other than the fact that we come from a region, an enormous region of the world, and a densely populated region of the world that we call Asia. To further complicate that picture in more ways than one, somebody decided to throw in the Pacific Islanders with this category, so that officially the category is Asian/Pacific Islander. I think it's because somebody discovered that the Pacific Islanders—that is, people from the island nations and ethnicities of Micronesia, Melanesia, and Hawaii—were left out when we chopped up the world in these groupings, so the Pacific Islanders were put in with the Asian Americans so now it's Asian/Pacific Islander American. But that adds another 13 to 20 ethnicities to this group with yet another set of languages, cultures, and religions. As I said, the complications do not rest there.

Finally, another diversity which also must be emphasized and which has been alluded to is the socioeconomic diversity. We have images of boat people coming over; we have images of young Vietnamese refugees without a single family member, young people in their teens drifting to America in these rickety boats, who might have even spent years in camps somewhere in Thailand, whose schooling has been interrupted. We have those, but we also have Asians coming over recently with education, with professional and entrepreneurial experience, highly ambitious, upwardly mobile, part of this brain drain that I mentioned a while ago.

So what I would like to submit is that the best way, and I think the most productive and fruitful way, to think about this broad, broad category called Asian/Pacific Islander American is not the so-called "model minority model" which I think should be banned from our vocabulary because it obfuscates more than it clarifies. Perhaps a more

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useful way, if we need a model, is to think of the Asian/Pacific Islander population as a bipolar population, that is, say the typical white American population, but even more so. The poles tend to be so stark—a high pole at one end of Asian Americans who are doing well in school, in their businesses and who are highly represented, particularly in the small business entrepreneurial sector, and in their professional lives and in their income-earning abilities, etc. There is that other pole, the other side of the spectrum of Asian Americans, who are dropouts from schools, who are at or below the poverty level, who are, for example, like the Hmong people from Laos, still struggling to even establish themselves in this society having come from an agricultural and what we call preliterate society, a term I don't like, but what it suggests is they come from a society where the written language was not very important.

Let me end, if you will allow me to suggest some implications of what we've already shared with you regarding this Asian/Pacific Islander population. Right away, to further complicate it, the Pacific Islander group includes those who are already American citizens, such as the Guamanians, the American Samoans.

One implication of the work force we have to understand, and particularly in areas of this country such as the west California area, notably that the work force will be increasingly characterized by these young Asian Americans. They are already 3 million of California's population, but they are heavily urban concentrated and they are young in their age distribution. They are largely of working age, and another factor that's important, there are proportionately more Asian Americans in schools, in that same school age group, age 18 to 24. More Asian Americans of that age group are primarily and actively involved in schooling and going from schooling right into the work force. So that's one thing to keep in mind.

The second thing you alluded to that I want to emphasize is the changing pattern of race relations. I don't think we can afford to define race relations in this country anymore in terms of black and white relations. That might have been the dominant historical pattern, but it will no longer be. I think we all saw what happened in Los Angeles between African Americans and Korean Americans, and we need to pay more attention to new patterns of race relations. That, in turn, of course, should help us formulate better public policy in education, in welfare, in all aspects to take into consideration the changing patterns of race relations.

Finally, I would like to suggest something else, too, because I am so actively involved with this. I think that these changing demographics and perhaps, in particular, the changing demographics regarding Asian/Pacific Islanders affects the tenor and the nature of public discourse in this country and especially on our university campuses and in our schools. I am referring to the increasingly heated debate over multiculturalism.

I think that it's unfortunate that there are some people in this country from the very highest reaches of our government down who choose to characterize multiculturalism as "sixties radicals imposing politically correct views on our innocent students," when, in fact, multiculturalists—serious multiculturalists—have a very different kind of project. Perhaps if the Commissioners are interested in that we could discuss that.

But furthermore, this question about multiculturalism in America and especially in relation to Asian Americans is further complicated by the international environment in which we're moving and by, I think, Americans' confusion about this international climate. Again, I am thinking particularly of the growth of the regional economies of Asia led by Japan followed by Taiwan, Hong Kong, South Korea, etc., that are causing no small degree of consternation for so many Americans who don't know what to make of this. And in a most unfortunate way, and abetted by the media, and in some degree by the multicultural debate conflate the issue of Asian Americans in this country with the rising economic power of countries like Japan. So I think we will continue to see more, not less, confusion; we will see more anti-Asian violence, anti-Asian racism, and more racial conflicts between Asian Americans and other Americans in this country. Thank you.

CHAIRPERSON FLETCHER. Thank you very much.

MS. BOOKER. Mr. Sandefur, if you would go next, please.

Statement of Gary Sandefur, Director, American Indian Studies Program, Institute for Research on Poverty, University of Wisconsin at Madison

MR. SANDEFUR. Thank you. My name is Gary Sandefur. I am professor of sociology and affiliate of the Institute for Research on Poverty and director of the American Indian Studies Program at the University of Wisconsin, Madison.

I had actually prepared testimony today about mobility and its role in the perpetuation of poverty among minority groups in the United States. But I got a call yesterday from one of your staffers who was concerned that you might not hear very much about American Indians given the people that were going to be making presentations, so I modified my talk to deal exclusively with American Indian issues and I hope that's okay with everyone.

CHAIRPERSON FLETCHER. Please proceed.

MR. SANDEFUR. As you've heard, the population of Native Americans grew by around 38 percent during the 1980s, which is a very large rate of growth for a population that's really not that influenced by immigration, although there are Latinos who have come in from Central and South America who do consider themselves to be Native American as well as being Latino.

This was a smaller rate of growth than you found during the 1970s, when the population grew by about 72 percent, so that in 1990 the population of Native Americans in the United States was around 2 million. The proportion of this population that lived on reservations in 1990—reservations and trust land—was around 22 percent of the population. This is often a surprising figure to many Americans who view the American Indian population as a reservation population, but over the years it's become increasingly less and less the case. There are also these areas that in the 1990 census were designated as tribal jurisdictional statistical areas, which are part of Oklahoma, what's known as the Indian Territory, and then tribal designated statistical areas in places other than Oklahoma. These are former reservations in which the Census Bureau now counts Native Americans. About 15 percent of the Native American population resided in these tribal designated or tribal jurisdictional statistical areas.

So 37 percent of the Indian population lives in what we might think of as traditional tribal areas, either reservations or former reservations, which means that the Indian diaspora—if you want to use that phrase—contains over one-half of the Indian population. We haven't been able to do this with the 1990 census yet, but if you use the 1980 census and compare the reservation population with the Indian diaspora, it's fairly clear that, in most respects, the Indians who live outside the reservation and traditional tribal areas are on average better off than the Native Americans who live in these traditional tribal areas.

So what I would like to do is focus a little bit on some of the problems confronting those who still live in traditional tribal areas and some of the racial tensions that have developed recently. The traditional areas that we're talking about were created during what is known as the "removal and reservation era" during the 1800s. This policy was designed to put Native Americans on land that had few natural resources, far away from population centers. Evaluating the effectiveness of Federal policy in terms of achieving its goals, you would have to say that this was one of the more successful Federal policies in the history of the United States because Indian reservations are, in general, on very poor land, very isolated and far away from population centers in the United States. What this has done is to create pockets of poverty and unemployment in these traditional tribal areas, and created very few opportunities for business development.

In fact, one of the exercises I did with the 1980 census data on reservations was to look at some of the characteristics of reservations to see if they were similar to what people were calling underclass areas, the criteria that we use to designate underclass areas in the central cities. What you find is that many of the reservations in the United States have the same kinds of problems that you find in the central cities of major metropolitan areas: high rates of dropping out of school, high prevalence of singleparent families, low rates of labor force participation, very high rates of poverty, and high rates of participation in welfare programs. There are a number of points you could make about these kinds of findings, but I think two of these are very critical. One is that reservations—even though

we're talking about a fairly small group of people—reservations have serious problems that should not be ignored in Federal policy and that should be addressed by our country.

A second critical point, I think, is that what are sometimes regarded as inner-city problems also occur in a much different social and cultural setting. So it's really not appropriate to think of these issues as things that only affect the Latino or black population residing in larger metropolitan areas. There is obviously a very different social and cultural setting in which you find similar kinds of problems.

The issue that I wanted to bring up that is creating a certain amount of racial and ethnic tension right now involving Native Americans is also a very important civil right that has emerged as a possible key to solving some of the social and economic problems on reservations. This is what is referred to as tribal sovereignty and self-determination, principles that are poorly understood by many Americans. You may all be familiar with tribal sovereignty; essentially tribal sovereignty refers to the fact that Native American tribes have certain powers of self-government that, in many ways, are similar to what States are allowed to do. They are subject to Federal law, Federal guidelines, Federal regulations, but States in which reservations are located do not necessarily have power or authority or governmental authority over Indian issues. In some cases they may, and in some cases they may not.

Self-determination is associated with tribal sovereignty and it's been the official Federal policy toward Native Americans since the mid-1970s. Essentially it means that Native Americans are allowed, as tribal groups, to set their own goals, establish their own priorities, run their own programs. One of the problems now is that sovereignty and self-determination have also become a source of tension between Indians and non-Indians in what those of us who study Indians think of as Indian country, the places where there are large numbers of Native Americans. Let me give you two examples of both the role of tribal sovereignty in helping to solve some problems and the tension that it's created.

One of the developments since the mid-1970s has been the development of tribally controlled schools and colleges. These provide elementary, secondary, and college educations on the reservations to kids who did not receive—especially college—education in the past. There hasn't been a lot of careful research on the impact of these developments, and as a social scientist I am hesitant to say that these developments have substantially and significantly improved educational attainment for Indian kids. But there is some evidence regarding tribal colleges, for example, that many Native Americans who would not have gone to college in the past now are able to go to college because the colleges are located on their reservations.

It's also clear that these programs are not receiving adequate funding. It's also caused some tension because some people see this as a new form of segregation. The idea of pulling Indian kids, for example, out of local public schools and putting them in tribally controlled schools is seen as a new form of segregation.

Another issue that has become a source of tension recently has been the gaming issue and the use of gambling. The Indian Gaming Regulatory Act of 1988, which is Federal law, governs the way in which types of gaming are agreed upon. For casino style gaming, tribal-State agreements are required. Tribes have been frustrated with the delays that States have created in reaching these agreements and have operated unauthorized gaming operations. The Federal Government, under the pressure of States, has decided to crack down on these unauthorized gaming operations. This is creating tension over gaming and tribal sovereignty issues, and I am very concerned about where this is going to lead.

Finally, I think the Civil Rights Commission does have a role to play in assisting tribal Native Americans. One of these roles or one thing the Civil Rights Commission can do is to point out that what are sometimes regarded as inner-city problems also occur in other social and cultural settings, especially or specifically on Native American reservations.

A second thing the Commission can do is promote educational efforts so that State officials and citizens understand the principles of tribal sovereignty. I think this would ease a lot of the tension in many parts of the country. Another thing that needs to be done is to make sure that these new tribally controlled schools and colleges have adequate funding. Thank you very much.

MS. BOOKER. Professor Denton?

Statement of Nancy Denton, Professor of Sociology, State University of New York at Albany

MS. DENTON. Thank you. It's a privilege to be here to speak to you today. I have given each of you a copy of my remarks because I need to extract from them in order to keep up with our timekeeper here.

A seldom mentioned factor in the myriad of analyses of racial tensions resulting from the recent events in Los Angeles is residential segregation. For many Americans of all racial and ethnic groups, segregation has ceased to be a concern. Neighborhood integration is no longer a prominent goal on Federal, State, local, or individual agendas as we collectively seek to deal with other problems—a stagnant economy, declining cities, health care costs, and the challenge of assimilating these new waves of immigrants that you have just heard described to you.

Yet, the Rodney King verdict and the ensuing riots, as well as the issues I just enumerated, are intimately related to residential segregation in my mind. Residential segregation is one of the most salient features of U.S. society and we can use it as a barometer of urban life. I need hardly convince any of you that where you live is fundamentally tied to success in life. In fact, the neighborhood you live in is the primary means of demonstrating that success to people that you don't know. You tell them what neighborhood you live in.

With your neighborhood come bundled other amenities, and it is these amenities that form the relationship of why neighborhoods and communities can be so intimately linked to social problems. With neighborhoods come the privilege to attend good or bad schools, exposure to various levels of crime, access or lack thereof to health care services, varying levels of police and fire protection, desirable or undesirable peer groups for children. I don't have to enumerate all of these. The statistical task of measuring the size of these neighborhood effects on actual individual people is very, very complex and I won't go into that today, here. But certainly most parents behave as if the neighborhood they live in is going to have a life or death importance to the outcome of their children.

These neighborhoods have also played a leading role in the history of our country, particularly our history as an immigrant nation. The route of assimilation of all of the waves of European immigrants to this country was by living in enclaves and cities, moving with a lot of their coethnics, moving to a better neighborhood, later moving to the suburbs. Your own family history, many of you, tells the same story as these aggregate statistics. Now, the 1960 civil rights movement brought home to us very clearly the fact that this process of assimilation, particularly spatial assimilation, was not occurring for African Americans.

The landmark legislation of that time, the 1964 and 1968 Civil Rights Acts, sought to address this fact by outlawing housing discrimination, as well as employment discrimination. The enforcement provisions of the Fair Housing Act fell victim to the congressional bartering needed to get the act passed in the first place, but the act symbolically signaled an end to residential segregation in the minds of many Americans. When data from the 1970 census showed extremely high levels of segregation for African Americans, a common explanation was that the law hadn't had enough time to work.

When the 1980 census showed similar high levels of residential segregation, we again looked at these data and started to take them more seriously, but at that point we were also faced with two other factors that were of prime importance. The growth of the new immigrants from Asia and from Latin America and other Spanish-speaking areas had come to be astronomical. Secondly, because of the effect of the civil rights movement, the effect of changes in the diversity, particularly within the African American population, but within all of the minority populations, the number of neighborhoods that were no longer all white had declined dramatically between 1970 and 1980. Individual neighborhoods could almost all point to a few members of a minority group that lived in them. So, from a neighborhood perspective, it appeared as though integration was taking place, the black-white dialogue was joined by an Asian—even though that's an umbrella term—an Asian voice and a Hispanic voice, and so the segregation statistics

were interpreted in the midst of all these other things that were going on.

In addition, there were growing numbers of people, particularly African Americans, arguing that residential integration was not necessarily a good thing, that there were positive values to be gained from living with people like yourself—cultural maintenance, values—that there was political power to be gained this way, and that it was time to stop ignoring the central cities, that these places should not be hell holes.

As many of you know, we are just beginning to see the results of the 1990 census. The Census Bureau has calculated residential segregation statistics for all of the metropolitan areas of this country and they released them on May 2, at the population meetings in Denver. If we look at residential segregation as a simple measure—that is, reflecting just evenness—does every neighborhood in the city have the same minority proportion as the city as a whole? In 1980 the segregation of African Americans was 1.6 times that of Hispanic Americans and it was twice that of Asians. So these three large minority groups live in dramatically different residential worlds.

When we look at those numbers for 1990, we see that there have been declines, but the actual segregation of African Americans was still 1.4 times that of Hispanic Americans and 1.7 times that of Asian Americans. When we use the actual numbers, actual segregation indices, and we look at metropolitan areas of a million or more people, in 1990, then in order to be evenly distributed across the neighborhoods in those cities, 73 percent of the African American population would have to move or change neighborhoods, compared to only 54 percent of the Hispanic population and 42 percent of the Asian population. In Chicago those same numbers are 86 percent for African Americans, 63 percent for Hispanics, and 43 for Asian Americans, and those numbers are all within one or two points, not percentage points, of what the numbers were in 1980. So for our largest metropolitan areas, there has been absolutely no change or very, very little change in residential segregation since 1980, measured in this simple way.

But segregation is really more complicated than just how evenly spread across neighborhoods are people, and those of you who are following me are thinking, well, this is crazy, nobody is ever going to see this kind of even distribution across all of the neighborhoods in a metropolitan area. In researching segregation in 1980, we used dimensions of segregation that referred to evenness which I have just described, but also a separate dimension which just referred to isolation, how many people there are that are in your neighborhood are like yourself; concentration, how small are your neighborhoods; clustering, are your neighborhoods all side-by-side or are they scattered around like the squares on a checkerboard; and centralization, are your neighborhoods all located near the center city when the jobs are all in the suburbs. When using those five concepts of segregation in 1980, we found a core of selected metropolitan areas in the Northeast and the Midwest where African Americans were highly segregated on all five or four of those dimensions. This pattern was called hypersegregation, and it was not found for Hispanics or Asians in any metropolitan area.

I have repeated that analysis for 1990 and I have found that 14 of the 16 metropolitan areas that were classified as hypersegregated in 1980 remained so in 1990. A list of these metropolitan areas appears as table 1 at the end of my testimony.

Not only are the magnitudes of the changes in segregation small, but nearly half of the changes are positive, indicating that segregation on that dimension worsened between 1980 and 1990. Every single metropolitan area on the list, including Atlanta and Dallas, which are no longer hypersegregated in 1990, showed an increase on at least one dimension of segregation. In Newark and Buffalo, segregation increased on all five dimensions. In Detroit it increased on four dimensions. I have some more summary statistics of how these segregation indices increased.

But there's even more bad news if you consider segregation at this level to be a bad thing, because we're not talking about clustering of small groups of people in a neighborhood. In five metropolitan areas, African Americans are hypersegregated now in 1990, but they were not hypersegregated in 1980. Since in 1980 we only studied 60 metropolitan areas—but the Census Bureau has now calculated numbers for all of them, there are an additional 10 other metropolitan areas in the United States that can be

classified as hypersegregated now. So we have a total of 29 metropolitan areas in the United States where African Americans are experiencing drastic isolation due to residential segregation and living patterns.

Over 25 years ago the Kerner Commission, in the summary to its famous report, used the phrase, "our Nation is moving toward two societies, one black and one white, separate and unequal." When we talk about the new immigrant groups who are moving into this country, it's tempting to think that we now need to increase the number of those societies beyond two. But the statistics that I have just related to you indicate that it really is still two societies because, with high levels of immigration, you expect segregation levels of new immigrant groups to go up because of the clustering upon initial arrival in this country. Yet the segregation levels of Hispanics and Asians not only are much lower than blacks, but they did not go up very much between 1980 and 1990. The black segregation is at a completely different level.

If we look at underlying causes of this segregation, income is an obvious cause. We don't have the data for this for 1990 as yet, but in 1980 we found that as income, occupational status, and education of Asian Americans or Hispanic Americans went up, their segregation went down, exactly what you would expect. But it has not happened for African Americans. African Americans making $50,000 a year or more are, in the aggregate, just as segregated as African Americans making $5,000 a year or more. The interclass segregation within the African American community is just not there to the same extent that it is within the other communities.

I think that we need to think about these numbers and what I want to close with is a few comments on why I think that dealing with residential segregation can be a way of addressing problems of racial tensions and why it is important that we try to put it back on the national agenda. Regarding issues of people's preferences for what kind of neighborhoods they live in, within all groups there is a wide range of preferences. In any group you can find people who are willing to live in any kind of neighborhood. People who feel that single-group neighborhoods are important can certainly have their way for a long time to come. So we don't need to worry that much about that being the detaining factor for promoting residential integration, given these high levels of segregation.

Because of the bundling of amenities, promoting integration provides a way of attacking a whole bunch of problems at once, because when you change the neighborhood, you are changing a whole lot of other aspects about that person's life. It's not just a single one-shot deal where we say we are just going to improve the school, or we're just going to work on crime and law and order, or we're just going to try to find jobs, or we're just going to try to provide daycare. A second reason why I think residential integration is important is that we have a nostalgic myth in this country that the immigrants all lived in these segregated neighborhoods and then gradually moved out to the suburbs. In reality, when we look at immigrant neighborhoods and we look at the Asians and Hispanics today, those segregation indices never reached 50 or very seldom did they reach that high. They were always low. Most of the population of those immigrant groups did not live in those neighborhoods, and the neighborhoods themselves were seldom occupied by even a simple majority of the group. Yes, it was called Chinatown or Koreatown or Greektown or Little Italy, but those were because of the clusters of commercial enterprises there, it was not because 95 percent of the people living there were Greek or Italian or Chinese. More than 30 percent of the African American population in this country today lives in neighborhoods that are more than 90 percent black, so that that is a very high level of segregation.

A third reason that residential integration is important to think about is the declining cities. We are probably not going to abandon the larger cities of our country, and this would provide a way of attacking some of the problems of the cities, as well as attacking some of the problems of race relations.

A final reason for promoting residential integration comes, for me, from the American dream itself. We can argue that changes in the melting pot ideology to accommodate cultural pluralism are all to the good. We have just heard about the diversity of the minority community in the United States and I am certainly well aware of that, but it still remains that we are one nation. Yet the situation that we are currently in

residentially clearly reveals two nations, one perhaps a bit less white than before, but the other decidedly black. I think we have to ask ourselves if that's what we really want. I thank you.

CHAIRPERSON FLETCHER. Thank you very much. The panelists have been very helpful. I will begin by asking Commissioner Ramirez to put your questions.

COMMISSIONER RAMIREZ. Well, there are many questions. I have hesitated to ask for explanation on data presented about Hispanics because I do not want to be put in the posture of promoting that kind of one-view. But Dr. Denton, you talk about a picture of Hispanic residential patterns that is so far removed from my experience that I need to understand: were the cities that you looked at primarily northeastern and midwestern cities, in which case you would have a very different picture of Hispanic residential patterns than you would have if you had looked at the part of the world that I come from?

MS. DENTON. Yes, that's an excellent question and I actually skipped over a piece that you'll see in the testimony that addresses it in part. In most of the work that I've done, I've looked at 16 metropolitan areas, many of which are in the South and the West, and we have a completely different picture of Hispanics. The numbers I was presenting to you were averages which have all the problems that Bill so nicely described to you. When you look at the residential patterns of Mexicans and Cubans, you find very different patterns from the residential patterns of Puerto Ricans. Hispanic segregation is much higher in the Northeast and the Midwest largely because of the Puerto Rican population and because of the black admixture among the Puerto Rican population.

When you look at segregation for these various individual groups, you will find that within the Hispanic community, within the Asian community, you will still see something that we could—in Chicago we would have called color-lock—that the Asians that are the mostly highly segregated are the Asians from the subcontinent. The most highly segregated Hispanics are those with the largest black admixture, namely, the Puerto Ricans. In New York City, Puerto Ricans are much more highly segregated than Dominicans, for example.

These are glossing over some of these differences among groups, you're right. But we have studied all different kinds of cities, and within almost all of the cities you still get this relative ranking that I've described. The averages tell you not all the richness of detail that you would like to know, but they certainly are not really lying to you.

Remember that these are all population-based numbers so that the experiences of individual persons will not necessarily reflect these. There are many people who are not experiencing these high levels of segregation.

COMMISSIONER RAMIREZ. Well, I wasn't arguing from that perspective. In fact, my sense was that Hispanics are more segregated than the general tone of your presentation would indicate, and the segregation lasts across more generations. If you look at Laredo, Texas, for example, where Hispanics are 95 percent, 97 percent, of the population it's that complexity which has troubled me as I have seen this story told several times. I think that if we talk about the relationship between residential segregation and assimilation—because when you're talking about the indices of improvement in the lives of particular groups of people, you generally are describing a pattern of assimilation into other neighborhoods—I would plead for this story to be told with enough understanding of the different configurations, both of historical development and of regional distribution of groups.

The story of the Northeast and the Midwest is not necessarily the story of the Southwest and the far West. I don't want to spend all my time on that issue because there is much that is rich in all of your presentations and I appreciate your time and your effort.

I would like to ask Mr. Sandefur about the original testimony that he has prepared. If it is in writing, we would be very pleased to receive it as part of the record.

In terms of this issue of diversity, we can look to the antecedents of the particular nature of the American population, the historical antecedents in terms of a preference for European immigration, the reality of not only Asian, but the exclusion of African immigration as well, and at demographic trends throughout the world that probably impact as much as anything we try to do in this area. It seems to me that when we

look at a global economy, the only thing we can be sure of is that the diversity in this country and the rate of diversification is likely to increase. Have any of you who have done these demographic projections done any work in terms of identifying what is the potential rate of diversification of the American population?

MR. O'HARE. I have not done any myself, but I've seen several other people who have done it. I think the dilemma is to get to points where you're really talking about minority majority or those kinds of things. You're talking about 60, 70, or 100 years down the road, and there are so many things that could change in between. Some things we have control of—immigration, for example—so it's hard to put much meaning in them in my book.

I think the short run is pretty clear that we will continue to have this rapid increase in the nonwhite population just because they're a young age group now, immigration policies will allow more people from Latin America and Asia, and for unifications, and I think the recent immigration law, if I am not mistaken, had some provisions that would allow more immigration from Asia.

COMMISSIONER RAMIREZ. But also from Europe.

MR. O'HARE. Irish. I am not sure that answers your question, but that's, I guess, my thoughts on it.

COMMISSIONER RAMIREZ. Go ahead.

MR. SANDEFUR. I am just going to give you one example of how difficult these kinds of projections are. During the 1980s there were a number of people whose projections showed that by 1990 the Filipino population would be the largest Asian group in the United States. Yet, it turned out in the 1990 census that the Chinese Americans are still the largest Asian group in the United States. The reason was that the projections did not take into account the increased level of Chinese immigration, especially from Hong Kong. When I've seen people apologizing for their projections, that's the excuse they give.

It's hard to know what immigration law is going to be in the future and what the limits on immigration are going to be and what parts of the world the immigrants are going to come from 20 years from now. So it's really difficult to make projections especially if they involve specific groups.

COMMISSIONER RAMIREZ. Let me pass for now, Mr. Chairman.

MR. GONZALEZ. Could I just interject? I think what I hear you talking about is what they call a push-pull effect. One has to look at what's pushing people out of the country and then what's pulling people into a country, and without knowing how that can change over the next 10, 20, 30 years, then there's no way of really knowing what's going to end up on this side.

MS. HU-DEHART. Could I say something about the push-pull though because, you know, that's like the melting pot. We know two things about immigration, we know about the melting pot and about push-pull. Well, we know how to discredit the melting pot, but I think the push-pull factor also needs to be significantly reexamined. Traditionally, we think of those two factors as independent of each other, as countries creating their own push factors and countries creating their own pull factors, and they just happen to coincide very nicely for immigration to take place. What I was suggesting earlier when I spoke about how the United States creates, in some ways through its global activities and interventions, both economic and political—not just the United States, but other world powers—actually create push factors in third world countries that are not largely of their own making.

CHAIRPERSON FLETCHER. And pull.

MS. HU-DEHART. And pull factors, that's right. The pull factors we can see working, but I think the push factors can also have external origins, at least initially, as well. It's not quite so simple to think of countries as sending nations through their own internally developed push factors. You cannot just simply look at sending nations and receiving nations and say what's happening in the sending nation and what's happening in the receiving nations, ah-hah, that's how we explain immigration. I think you have to look at all immigration globally to really understand it. Why are people leaving their places of birth and ending up where they end up? That will be, I think, a more productive, fruitful way of really understanding a very complex, truly international phenomenon.

MR. GONZALEZ. Yes, I hadn't focused in on the immigration, but one of the statistics that was

thrown out to me a couple of months ago at a meeting that was really interesting was looking at the population growth in this hemisphere of the U.S. versus other countries where the U.S. has been declining in terms of population growth. You have all of these other countries that are not only increasing, but increasing in three and four times their present—

MS. HU-DEHART. But not Europe though. Not Europe.

MR. GONZALEZ. I am talking about this hemisphere.

MS. HU-DEHART. Oh, this hemisphere. I am sorry, okay. So you're talking about anything south of the United States.

MR. GONZALEZ. That's right.

CHAIRPERSON FLETCHER. Commissioner Buckley.

COMMISSIONER BUCKLEY. No questions.

CHAIRPERSON FLETCHER. Commissioner Anderson?

COMMISSIONER ANDERSON. Well, Mr. Chairman, I went over a bit on the last panel, so I think I'll make up for that now.

CHAIRPERSON FLETCHER. You're free to go over again, if you like.

COMMISSIONER ANDERSON. Thank you, no. You go ahead.

CHAIRPERSON FLETCHER. I've heard some very disturbing facts, opinions, observations with reference to the continuing impact of color. I think I heard someone on this panel say that although blacks can enhance their educational and their economic circumstances and be considered to be a part of the economic melting pot, that still doesn't render them acceptable in residential or social circles. Is that what I heard?

MS. DENTON. In the aggregate statistics, they still don't have a segregation score that's as high as the segregation score of blacks with much lower educations, occupational status, and incomes. It's a statistic, sir; it wasn't a statement on acceptability, which is a value judgment.

CHAIRPERSON FLETCHER. Could you talk about that value judgment just a little more then?

MS. DENTON. The American dream of working one's way up, so to speak, is that with education and with a good job, with more money, one would have residential freedom. One could buy a house in a nice neighborhood. One of the explanations for residential segregation among groups is differences in income among groups. If you don't have any money, you're not going to be able to live in a half-million dollar house. When you look at segregation by category of income or occupational status or education, you will see that as those characteristics, those personal characteristics, go up, the segregation of Hispanics or of Asian Americans goes down. They are living in neighborhoods with lots of other people of the same income and stuff. When you do those calculations for African Americans and you put them in a graph, you get a straight line that African Americans at very high levels of occupational status or income are virtually as segregated as African Americans with low educations and low income. Now these are aggregate numbers from the 1980 census because we can't make the neighborhood base calculation for the 1990 census yet. I am eagerly awaiting the data tape so that I can do that. Then you have to ask why is that so. Well, you have to rule out income—if you're making $50,000 or more a year you've made it as far as income—or if you have more than 16 years of education. So then you're left with preference or you're left with discrimination in the housing market.

When you take any sort of preference survey, you get a gamut of preferences among African Americans. Most of them seem to center on the 50-50 mark. They would like neighborhoods that are about 50 percent African American and 50 percent not. You never get a preference poll that says 90 percent of the African Americans want to live in neighborhoods that are all African American. So that preference isn't going to go very far for explaining this aggregate segregation number of the high 70s out of 100. So then you're left with racial discrimination in the housing market or, you know, white racism, if you will—the idea that even after an African American has achieved the high income or high educational status, the opportunity to live where they want is frequently denied to them.

The recent HUD study of discrimination in the housing market revealed that there was substantial discrimination against Asians and Hispanics as well. But when you look at aggregate patterns of where these people are actually living as opposed to measuring instances of discrimination against them, you do see lower

levels of segregation for the whole Asian umbrella group and the whole Hispanic umbrella group than you do for African Americans.

A couple of examples, if you will: in 1985 there was a lawsuit filed in Chicago. An African American had the mortgage on a half a million dollar house and it took, what, 5 years before he could take occupancy of that house? In December there was a photograph of an African American family in *USA Today*. It was a photograph they had been asked to take down off the wall to make their house acceptable so they could sell it, and this is routine practice, I am sure.

CHAIRPERSON FLETCHER. I am thinking of a neighborhood in a planned community where I bought property in 1970, and at the time this particular neighborhood had about 85 black families in it. We still own that piece of property in that particular planned community in that particular neighborhood, but that neighborhood is almost 80 percent black now. I don't know whether they're being guided into that one particular neighborhood or not, but everyone living in the neighborhood is comfortably middle class, if you want to put it that way. But if you go to this particular planned city or ask someone if they live there, you can almost bet that they've been congregated in that one community and yet the developer has a reputation of doing all he can to keep that from happening, but it's happening right under his nose.

That's the first time I've heard some data to suggest that. One of the sayings that we have in the community, a brother is a brother is a brother—there's another term they use—money notwithstanding.

Let me ask each of you to try this. It seems that as we head into the 1990s and the year 2000, the 1960s definition of civil rights simply won't apply. The definition we have right now doesn't seem to be applicable. Could each of you give me some indication of how we should be trying to define it now based on all of this diversity and this sort of thing? What is the definition of civil rights in today's environment?

Let me give you my reason for that. We're hearing it said that the civil rights leadership is out of step, they're old fashioned, the bridge they've been traveling on ought to be burned down, and let's start all over. That's what I am trying to get at. I just came from the Hill while my colleagues were here. I met with members on both sides of the aisle in the House and the Senate, and they all seem to be saying we want you and your panel of experts down there, if you're going to file a report out of this or any other hearing that are going to have statutory implications, we have to come up with some definitions. How would you define what you're trying to do and where you're trying to take us? What is civil rights in the 1990s and the year 2000 and beyond? That's what I am asking.

MR. O'HARE. I'll offer a couple of quick thoughts, I guess, along those lines. There are probably three prongs to that. I don't know if it's civil rights or not, but one is its moral leadership. I would say that people need to come out—leaders need to come out strongly—against all forms of discrimination. Lacking that strong forceful reaction opened the door for all kinds of bigots and meanspirited people. That's one thing that is necessary at all levels of government—forceful reaction to any kind of racial discrimination and bigotry. That doesn't cost the taxpayers a dime.

Second is an enforcement of antidiscrimination statutes that people, whether they're Hispanic or Asian American or African American or whatever, should have the same civil rights, the same access to public services, the whole gamut. Any violation of those civil rights should be pursued by the government.

Third, I think there is the notion of amelioration. What do we do for the groups that are struggling at the bottom? African Americans are probably the prime example, but American Indians are another example that the melting pot has not worked for those people. There certainly is a long history of oppression, public policy being used against those groups. I think what we need to do in a glib kind of statement is combine minority status with economic need or social need, perhaps. Just because you're a minority doesn't qualify you for special attention, need programs, but if you're a minority and have suffered the consequences of the past oppressive action, that is the criteria I would use for that fork of the civil rights program.

CHAIRPERSON FLETCHER. Thank you.

MS. DENTON. I certainly agree with what Bill just said. I guess I would have two different approaches though. One is that I think we have to

realize the important role that public policy played in the creation of a lot of these patterns I described. The suburbs were created and the ghettos that the blacks live in were created by Federal housing and Federal highway policies, there's no denying that. So there is need for a Federal role to address some of these issues just as, no doubt, local use of Federal programs helped to create the situation in Laredo that your colleague referred to a little while ago. Public policy has been used in a discriminatory manner to contain minorities and that has to be recognized, and I think that gives an argument in favor of a Federal role in addressing some of these problems.

The other thing that I think we have to talk about, when I talk about neighborhood integration and we talk about coalitions, we have to start talking about all groups being involved. I was talking about segregation of three major minority groups from non-Hispanic whites, but when you look at the segregation among these various groups, Asians are segregated from African Americans as well; so are Hispanics. Asians and Hispanics are segregated from each other. This coalition has to join all of these groups together. Part of the reason why the old civil rights movement isn't working is that essentially it started at a time where there really were only two large groups and so blacks were arguing with whites, who were the dominant group in most instances, for a piece of the pie. Whites still control a lot of power, but the other groups are important and they are large, and we're just missing a golden opportunity, I think, for building some of these coalitions, which I think can be built in neighborhoods as a good starting place.

CHAIRPERSON FLETCHER. All right.

MS. HU-DEHART. I think there are two sets of balances that we seem to be struggling with that have already been referred to in this discussion. One is the proper balance between race and class, and the other one is the proper balance between society's responsibility and individual responsibility. I don't know what the proper balance is and I think we need to be thinking more and be more creative about grappling with those. Let me just share some thoughts I have. I think it's too easy to think as some social scientists and policymakers think that it's not a race issue anymore, it's just class. If only it were that, I think we would have solved a lot of our problems earlier. I am afraid it isn't just that and I will give you a historical reason why. You know, race is not something, in fact, we're born with. It is something constructed and created. Let me be really specific.

Today we tend to think of Asians as an acceptable race, acceptable in the sense of having the right attributes to be mainstream Americans. That is one reason why perhaps you will find more Asians in certain neighborhoods that would otherwise not accept other people of color, because of our behavior, and educational attainment, etc., etc. But if we have a sense of history, we know that 100 years ago, there was the idea of a yellow peril and all that. Asians were deemed to be so totally unacceptable, so totally inassimilable, so inherently un-Americanizable that they should be barred from even entering this country. This idea, a racial identity for Asians, which is very interesting, has fluctuated wildly over time, over at least 100 years of American history.

So, I for one am not willing to check and raise and substitute class, because I think that's too easy. Nevertheless, we need to, I think, and Brother O'Hare and those comments, we do have to think about how sometimes class should play a role in determining civil rights policy.

The other idea is that which the Vice President raised again yesterday, this whole idea of individual responsibility versus society's responsibility. There is a lot, I am afraid, of wishful thinking of an America that is either bygone or never was. That is the America that was constructed of these wonderful families and we know that not to be the case anymore, so what is the point of bashing families that are no longer the way we wish them to be.

I would wish that we, instead of yearning for those kind of ideals that we don't have and maybe we never had them—we certainly don't have now—work towards helping, particularly the children, who don't have the benefits of what our Vice President wishes every child has. It raises the question of whether it is more a case of strictly individual responsibility for pulling ourselves up by our bootstraps or whether it's a collective responsibility. In the end is America still going to be resting on this original ideal of individuals making their way strictly through

individual merit without interference from such things as discrimination or racism, or should we be thinking more of all of us collectively struggling through? Maybe that is still an old civil rights idea which I am not ready to abandon, in part, because being a historian, I feel that the idea of America as made up of individuals who succeed simply has not held true for many Americans. If historically that has not held true, then looking into the future, our solutions cannot be based on strictly individual solutions.

CHAIRPERSON FLETCHER. Thank you. You want to give it a try?

MR. SANDEFUR. Well, I agree with many of the things the other panelists have said. I do think it's a mistake to beat up on the civil rights movement because in many respects it was very successful. I grew up in rural southeastern Oklahoma and I remember colored bathrooms, colored water fountains, African Americans eating in the back rooms of restaurants, Indians being shot by police, and people not thinking much of it.

Those things don't happen; those things have changed dramatically. The legal barriers to voting, the increased political representation, the declines in traditional prejudice among whites, all of these are positive outcomes of the civil rights movement. I think it's important not to lose sight of those.

The civil rights movement did not solve all of the problems that minority groups face in this country. We obviously still have lots of problems that we have to contend with, and you've heard many people tell you about them today and again tomorrow. Obviously, we need to try new approaches and new strategies and new ideas, and I think there are a number of new ideas out there that are worth trying.

One thing that does really concern me that's shown up in some of the work of sociologists has to do with trends and prejudice over time and especially the way in which whites and African Americans explain persisting inequality. There really hasn't been much research on the attitudes of any other racial and ethnic groups and there's been limited research on the attitudes of African Americans. But there is some research on how whites and how blacks explain continuing inequality in American society, and it's obvious that the average white and the average black have much different perceptions of what's happening in the world.

The studies that have been done by Larry Bobo who is at UCLA and James Kluegel who is at the University of Illinois suggest that most white Americans think that the civil rights movement was very successful—even more successful than I was presenting it—that it solved most of the race problems in the United States, that there really aren't any barriers to the success of African Americans, that the reason that African Americans have not been able to get ahead is because of their own individual failure to work hard enough or to be motivated enough to be successful. The majority of whites subscribe to what Evelyn was referring to as this individualistic explanation for why minority groups aren't successful. The majority of blacks have a much different perception. They perceive continued barriers in American society to their advancement, and they perceive that public programs designed to help them are not being very effective. One of the real sources of racial tension right now is these very different explanations of inequality.

My own point of view is that the average African American is much closer to having a true perception of what's going on than the average white person. One thing we need to do is educate white Americans as to the continuing problems of residential segregation, continuing barriers in the labor market, and other problems that are facing minority groups now, because I think they just don't understand that the civil rights movement did not solve all the problems.

CHAIRPERSON FLETCHER. Let me ask you to try one more for me. At the rate at which the cost of education is escalating, what's going to happen to any kind of vision of enhancement of minorities as a whole, marginal and full minorities in particular, in getting the kind of education and getting the kind of training required to be moving forces in this one work force that's emerging?

It seems to me I saw a videotape of an urge to buy U.S. bonds as a savings mechanism and they pointed out that one way to make sure your youngster gets a college education is to buy these bonds, but the person doing the pitch also said that a college education by the year 2000 or shortly thereafter will cost $20,000 a semester. I

don't know where they pull that number down, but I can tell you right now, you have to have an education in order to even benefit from voting rights, housing rights, and all those things. Is it realistic to think that an education is going to cost $20,000 a semester? What can we do to get it stopped?

MS. HU-DEHART. Well, we're not getting a raise this year, so you got mine.

CHAIRPERSON FLETCHER. What do we do to get that escalation stopped if that's the case?

MS. HU-DEHART. We're all in major universities.

MR. O'HARE. Let me offer a thought that touches an issue that is complex and somewhat sensitive. It brings the private sector that we haven't really talked too much about into this picture. If business needs workers, trained workers, you can bet there's a lot of pressure to make sure that those workers get there. And right now, to oversimplify a great deal, you can get trained workers from abroad or you can put more money into educational programs or private sector programs or whatever it is.

Now that's an oversimplification, but to some extent there's an issue there, I think, between the immigration policies of the country and the conditions of native-born minorities, blacks in particular, but others as well. It's an issue that I haven't seen a whole lot of discussion of amongst public policy people, people who make these rules, but I think it's an issue that is part of the topic that you're talking about.

CHAIRPERSON FLETCHER. Anyone else?

MS. HU-DEHART. I am about to send a daughter to college so I know what you mean by the $20,000. Of course, we do know too that there's a great variety of education in this country. I think what's happening to education, first of all, is that there is a push down effect that most people of color, if they are going to college at all, are going to the community colleges, so that there's tremendous pressure on the community colleges, which cannot bar any high school graduate from entering their doors, and that's where we need to focus too. We need to look at where the entry point is for those Americans that we feel must have access to education and put some money there. It's a matter of distributing the money too.

Secondly, when I mentioned earlier that whole question of multicultural backlash, I would like the Civil Rights Commission to take a look at that. I think part of the backlash—and maybe I am exaggerating, but I am so deeply involved with it—part of the multicultural project is precisely to open up doors of education and make it much more accessible to people of color, in the name of affirmative action, in the name of certain kinds of fellowship, scholarship opportunities. But those programs have all been caught up in this backlash, and we are in danger of losing what little we have that has proven to be effective and in so many ways that have opened the doors to education. To me, it's not really fundamentally a question of cost at this point. It is still a question of access and access of the most simple and fundamental nature, of making sure that our universities are open to all Americans, and that we're not abdicating our responsibility at the major universities and pushing them down the system into the community colleges, which simply will not be in a position to absorb them all.

Also, if you think about the dropout rate, how much resources are we wasting in this country because we bring children into our school system, but we cannot finish them, we cannot send them out the end of the pipeline. So it seems to me that before we worry too much about $20,000 a year, we need to worry about why we can't even use what we have effectively and efficiently.

CHAIRPERSON FLETCHER. Thank you.

COMMISSIONER RAMIREZ. Well, Mr. Chairman, I think that Professor Hu-Dehart has touched on a point that we should all keep in mind. Right now the rate of attrition of minorities who enter higher education is such that if we were to increase recruitment by 20 percent, our productivity of that increased recruitment would be minimal. I hope that sometime over the course of the next several hearings that we have that we devote a panel to this issue very concretely. Also, the reality is that higher education still reflects a great deal of separateness between groups.

Some 56 percent of all Hispanics and Asians who are in higher education are in community and junior colleges, 47 percent of all African Americans are in community and junior colleges, the number is closer to 60 percent for American Indians, and another 20 percent of African Americans are in historically black colleges.

Basically, we still have a very, very separate system of higher education and the resources correlate with who's in those institutions.

I am going to come back to this because it's bothering me more and more as the day progresses. A number of the panelists talked about the new minorities. I think that what Ronald Takaki and certainly my own work reminds us is that these groups—Asian Americans and Hispanics and American Indians—are historical minorities that have experienced *de jure* segregation and discrimination at the hands of the State. I think that one of the distinctions about civil rights policy is that at the point at which the State has caused, through its laws or its practices, that discrimination and the discriminatory effect, you have a very different kind of situation than you did in terms of traditional white immigrant groups, who came into this country and suffered hatred and suffered discrimination, but that was not institutionalized into the laws of the State. So I think that's an important concept as we think about redefining or holding on to old definitions of civil rights.

I think also that historical discrimination institutionalized practices, which are difficult to reverse, which today have their effect on groups who may be newcomers to this country and therefore were not objects of historical discrimination in an individual sense, but who are facing institutions that are still governed by historical patterns of segregation and discrimination. I'd like to know if any of the members of the panel have done any work that would shed light on this proposition?

MS. HU-DEHART. What I was suggesting, if you talk about race, is that in one sense what I hear you say is that we inherit these patterns, but what I am also suggesting is that it's getting to be complex because some groups, and this is why I see the Asian Americans having this interest in history, is that somehow they are being somewhat singled out and pulled out of the category of minority and made into an exceptional minority as if to prove a point. So that in some ways Asian Americans are not inheriting some of the old patterns, but rather are forced to live up to a new kind of stereotype that has very little relationship to history. What has been created—and the tracing of this creation is quite interesting—but are made to live up to a new stereotype and should they fail to live up to this new stereotype, they also fall prey to the larger society's disapproval. So perhaps what you're suggesting is these patterns of what we generally call stereotypes.

Stereotypes themselves also have a history that is quite interesting and moreover can be manipulated in ways far more complicated than perhaps we give them credit for. We manipulate these stereotypes or the larger society manipulates these stereotypes for purposes which are not always immediately apparent. I don't think it's such a simple thing anymore to say we know what the historical patterns of discrimination are so that we can actually prepare Americans, say, these new immigrants. For example, if I were preparing new Asian immigrants, I would say, well, don't forget this in the pattern of exclusion and the residential segregation in Chinatown or whatever or even in internment camps, etc., so this is what you need to be prepared for.

That may not be the best kind of preparation because as new Asian immigrants come to this country they are all of a sudden told that you are super smart, particularly good in science and math, and you'd better live up to this new stereotype we've created for you. We want you to succeed so that we can prove that America works, and if you don't succeed, you've failed us one more time just like you failed us in the past.

What I maintain is that even though Asians are now "beneficiaries" of a positive new stereotype, nevertheless it's a stereotype. We have to be wary of new patterns of behavior that are created with sometimes an insufficient, if not a totally inaccurate, relationship to the reality of history. By that token, Asians are still a "minority" because, regardless, they are not accepted as individuals. They are still being characterized as a member of a certain group with a group characteristic.

People ask me, what is a minority, and how do we have persistent definitions of minorities that seem to linger through history? One way is whether we are subject to group characterization or whether we are allowed, in fact, to have a real range of behavior and characteristics. Up to this point Asian Americans are not allowed what Anglo Americans or Euro Americans are permitted.

So, in a round about way, I am trying to answer your question and I think it's interesting, but at the same time we have to be wary of these other hazards.

CHAIRPERSON FLETCHER. Of course, if they live up to the stereotype too well, they get the backlash from the other side.

MS. HU-DEHART. Well, we already see the backlash.

CHAIRPERSON FLETCHER. You're right; they call it Asian bashing and that sort of thing.

MS. HU-DEHART. Exactly. So you're damned if you do and you're damned if you don't. Furthermore, the fact that Asians are accepted in some of the country's finest schools in large numbers and in some of the most exclusive residential areas, partly because they're acceptable and partly because they can afford the housing and some of those amenities, has allowed some Americans to say "we're not prejudiced and we're not racists; we've got Asians living among us." Asians are used in that sense to say that "I don't have any problems with people who are not white because we live next door to a"—and by the way the word often heard still is not Asian American, but Orientals. When I hear the word Oriental, I think of a vase or carpet. To me that is a real indication of how people think of Asians.

CHAIRPERSON FLETCHER. Anyone else. Carl, there's still a few minutes left.

COMMISSIONER RAMIREZ. Actually, Mr. Chairman, I do want to come at this just for 2 minutes. We have heard talk of melting pots and some people talked of tossed salads. I like to think of a kaleidoscope now, because everytime you look at it from a different angle, the whole thing changes. We are often asked, what is a model for social interaction and civic and economic interaction we could have for the future. I am not convinced that the traditional patterns of assimilation are possible or desirable, but I just wondered if any of you had any thoughts on what that model might look like over the course of the next 30 to 40 years?

MR. SANDEFUR. Well, I guess I have hopes for what it will look like. I think American society is a very exciting place in terms of race and ethnicity because we do have so many different groups of people, some of whom were here in the beginning and others who have come at various points, and we're all trying to learn how to live with one another. For many Americans, I think the notion of individualism means that in some ways people are responsible for whatever happens to them, but it's also supposed to mean that everybody is supposed to be basically the same and your group identity is not important or significant, that your ethnicity or personal history, that all of these things should just be discounted in that your own hard work, initiative, drive, and so forth should establish your place in American society. But by pushing individualism, you undervalue the importance and value of race and ethnicity in racial and ethnic communities. What I hope is that we would be able to create a society which allows people to be economically successful, politically successful, socially accepted, and also retain their racial and ethnic identities and their ties and commitments to their communities. That's my hope.

CHAIRPERSON FLETCHER. Yes.

MS. DENTON. I think the old assimilation ideology appeared to imply a lot of giving up and it implied a lot of sameness, but it also implied movement and I think we don't want to give up the movement part of it. We want people to get better educations, to move to better neighborhoods, to have their kids go to college, even if they did not. Maybe my ideal is that we have to learn to value the diversity in and of itself, that it's a better party, it's a better school, it's a better store, it's a better restaurant, if there are all different kinds of people in it than if all of the people are of one race or ethnic group. People have to just be willing to say it's better. I prefer that.

I know I am uncomfortable if I go to a restaurant and every single person in it is of one race or one color. It doesn't deny that there would be small intimate neighborhood places that were collectivities of one group, but just that valuing the diversity as a good, just in and of itself, just because of the diversity part.

MS. HU-DEHART. I would like to just very quickly suggest that I think that all Americans must learn to be bilingual and multilingual, bicultural and multicultural. We are probably the most monolithic, in one sense, country of this size or any size in the world and any one of us that has traveled immediately recognizes that fact. So to build on what Nancy and Gary said, to work towards that ideal, all of us must value

our own traditions and culture, and also acquire someone else's in some measure whether it is as simple as learning another language or whatever.

For example, I speak five languages, which is an interesting thing because of the reaction I get. People think that's marvelous, but at the same time if you look at how second language acquisition is totally undervalued in our school system, then you know that really isn't a value. Even though most Americans seem to admire people who seem to speak more than one language, we're not putting our money toward that.

We have these contradictions or these ambivalences yet to be worked out. We have to decide, collectively as a nation, that if we mean what we say about diversity and all that, it has to be reflected in the way we educate children and bring up a new generation of Americans.

CHAIRPERSON FLETCHER. I want to thank each and every one of you for sharing your views with us. I am sure I speak for the panel and members of Commission when I say you helped us a lot. We know exactly what to recommend. Thanks again, thanks very much.

[The proceedings were recessed at 6:30 p.m.]

Proceedings

Morning Session, May 22, 1992

VICE CHAIRPERSON WANG. If I may call this hearing to order. Good morning. We are just a little bit behind, so if we can expedite? General Counsel, would you call the witnesses?

Multiculturalism Panel

MS. BOOKER. I would like to call the first panel of witnesses, Mr. Anderson, Ms. Futrell, Mr. Royal, Ms. Scott, and Mr. Wilkins. Mr. Chairman, each of the witnesses has been invited to speak for up to 10 minutes before the Commissioners ask their questions. I would like to begin with Ms. Futrell.

Statement of Mary Futrell, Senior Consultant for the Quality Education for Minorities Network

MS. FUTRELL. Good morning. I am Mary Futrell, a senior consultant for the Quality Education for Minorities Network, which is a nonprofit organization in Washington, D.C., established in 1990 and dedicated to improving education for minorities throughout the United States of America.

The network is a focal point for the implementation of strategies to help realize the vision and goals set forth in the report of: *Education That Works: An Action Plan for the Education of Minorities* in this country. The report was issued in January 1990 by the MIT-based Quality Education for Minorities Project and is the result of 2 years of extensive contacts and traveling throughout the United States of America to talk with minorities about what they perceive to be the problems related to the education of minorities in this country.

I would like to express my appreciation for the opportunity to participate in this hearing on Racial and Ethnic Tensions in American Communities: Poverty, Inequality, and Discrimination—A National Perspective. It is my understanding that this panel will discuss the interrelationship between multiculturalism and racial/ethnic tension. Your decision to hold hearings on these issues at this time is extremely important, not only in light of the recent riots in Los Angeles and tensions in other urban communities, but also because of a sharp increase in racial, ethnic, and other social tensions throughout American society. As each of us knows only too well, racial and ethnic tensions are not new in this country, but for various reasons they have become more conspicuous and more frequent during the last decade. We have all read and heard about the racial and ethnic tensions in Bensonhurst, Chicago, and Seattle. We are all also aware of the escalation of racial and ethnic tensions on our college and university campuses, and we are beginning to become much more aware of increasing tensions in many of our high schools, and in some instances, in our middle and elementary schools.

Those tensions are expressed in many ways, through verbal and physical abuse, as well as through social, economic, and political isolation. Some of it is related to the structure of our educational system and the curriculum we teach to our students, and to the social and economic conditions that separate persons from different backgrounds and cultures. Allow me to use the time I have been allotted this morning to speak about education and, more specifically, about multiculturalism and racial/ethnic tensions.

There are more than 100,000 elementary and secondary schools in the United States of America, and there are more than 3,000 colleges and universities in this country. When we look at the elementary and secondary schools, those schools are responsible for educating the 47 million students in this country. The children who attend those schools represent a wide range of racial and ethnic groups. Increasingly, higher percentages of these students are coming from racial and ethnic minority backgrounds. Harold Hodgkinson from the Institute for Educational Leadership has predicted that by the year 2000, more than 30 percent of all the school-age children in this country will represent language and racial minority groups—more than 30 percent. If current trends continue, according to Hodgkinson and the National Commission on Children, by that same time, less than 8 years from now, more than 50 percent of all school-age children in the United States of America will come from families living in poverty.

To give you a very concrete example, in Alexandria, Virginia, where I taught for almost 20 years, the makeup of the student body has changed dramatically. When I started teaching

in 1963, the school system was divided along racial lines of black and white. Two years later, I was teaching black and white students. I started out teaching all black students. Two years ago I went back to Alexandria to visit the high school where I taught and I was shocked to see the dramatic changes which had taken place in that community. The community has barely 10,000 students, and yet with that small population, we have students speaking more than 40 languages in the school. It is a very affluent community, but in many ways Alexandria represents the economic and racial diversity in America, more so probably than any other community in the Washington metropolitan area.

Students come into the classrooms representing every racial, every ethnic, every cultural group that is known to us. They represent different genders, nationalities, geographic regions of the country, as well as different economic groups. In other words, the schools—more than any other institution in our society—are representative of the pluralism and diversity which we often describe as America. And yet schools mirror many of the problems we read and hear about, problems that we fear in our adult society. As I often say to my colleagues, what we see in society, we see in the schools first. So many of the tensions we are experiencing in the larger society, we have already seen those tensions begin to escalate in the schools.

For example, earlier this year the People for the American Way released a study which it conducted dealing with the attitudes of black and white students or black and minority students towards each other. I understand that you had someone from People for the American Way here to testify, and so what I say they perhaps said. But that study found that 56 percent of white youths indicated that white people have reason to be afraid to walk in black neighborhoods and linked black Americans to images of drugs and violence. Conversely, 68 percent of the black youths surveyed, and 52 percent of the Hispanics, said that discrimination against minorities in school and in the workplace is the norm. They expect it. The target population for that study, by the way, covered an age range of 15 to 24 years old. So these are young people.

A study released a year or so ago agreed or concurred with the People for the American Way study. There was another one conducted of school-age students. Basically, what that study found is that the vast majority of students said that they had, at one time or another since they had been in school, been the victim of a racial or an ethnic incident. But what was more shocking was that 60 percent of them said if they came upon such an incident taking place, they would not report it to an adult authority. Another 45 percent said if they came upon such an incident, they would probably join in. I found that particularly shocking.

These findings are similar to a study on ethnic images which was released last year. In that study, the participants indicated that they viewed blacks and Hispanics as being more apt to be on welfare, to be lazier and less patriotic than their white counterparts. The irony was that the report was released the same week that a similar study was publicized documenting that blacks and Hispanics represented approximately 40 percent of the Desert Storm troops, although we make up only about 20 percent of the total population. I was particularly struck by the fact that the people said that we were less patriotic, and yet we were far more highly represented in that invasion than anyone else.

I cite those studies to underscore how prevalent racial and ethnic stereotypes are in this country, across all age, racial, and ethnic groups. Earlier I indicated that the tensions which are pervasive throughout our adult society are also reflected in our schools. Those tensions are not always played out in the form of verbal epithets or fist fights or using weapons. They are also reflected in the way our schools are structured, the curricula that students are offered, how they interact with one another during the school day, and how they are taught.

For example, although the 1954 Supreme Court decision, the *Brown v. Board of Education*, Topeka, Kansas, case, legally ended separate and unequal schools, many schools remain racially and ethnically divided today. In far too many schools in America, students attend schools that are as segregated today as they were 30 years ago. As a matter of fact, a study released by Gary Orfield indicates that Hispanics are more segregated than any other group within our schools.

Even in schools that are desegregated, the tracking system creates a structure in which students of different racial, ethnic, and economic groups seldom interact with one another during the school day. I came face to face with this reality a few years ago when my son and daughter, who were fortunate enough to be in the gifted and talented program in Fairfax County, indicated that they never saw another black student or Hispanic student in class. The only time they saw other blacks or Hispanics was when they were changing classes, when they were in a music class or a PE class, or during lunch time. They were the only two blacks and there were no Hispanics in those gifted and talented programs. That is in spite of the fact that the school has more than 1,500 students and that the student population is very diverse.

Tensions are also exacerbated because of the differences in the curricula the students are taught in school. Contrary to what most adult Americans believe, there is no common curriculum in the public schools. What students are taught may differ dramatically across the academic, general, and vocational tracks in which they are placed—with minority and low-income students disproportionately placed in the lower tracks. The academic disparities are played out later in life when many of our young people discover that they do not have the skills or the knowledge to be competitive in the economic, political, or the social arenas of our society. Those tensions are heightened when students, year after year, attend schools and are exposed to a curriculum which does not acknowledge the pluralism and diversity which represents America. Our ignorance as a society and as individuals about the history and the culture of America has contributed, I believe, to the sad state of affairs which we face today, a state of affairs in which communities are increasingly isolated, increasingly afraid of other communities, and increasingly armed against the enemy.

Traditionally, schools have been seen as one—if not the primary—institution responsible for Americanizing people and making us into one nation. However, in recent years, as the complexion of America has continued to change, demands have been made for the schools—particularly in the curriculum area and in the makeup of the teaching profession—to reflect the diversity which is America.

The effort to reflect diversity within the schools, however, is not unique to this period of our history, but rather reflects a struggle which has been part of the American agenda for most of this century. During the last decade efforts have been made to focus on infusing multiculturalism into the curriculum as a means of enhancing the quality of education for all students and to more accurately reflect the true contributions of our nation's people.

But, unfortunately, the debate surrounding multicultural education has been polarized, and I would have to say it has been polarized to a large degree by the media. In recent years, a chorus of strident voices has launched an orchestrated and well-publicized attack on the movement to infuse content about ethnic and racial groups and women into the school and university curriculum. Those advocating multicultural education in the schools have been accused of being antiquality education and anti-American values.

Allow me to first share with you the definition that we at QEM use to define multiculturalism and multicultural education. When we use the term "multiculturalism," we are not simply talking about race or ethnicity. We are referring to racial, ethnic, political, religious, economic, class, geographic, and gender-based characteristics which define the American people. We use the term "multicultural education" to mean education that values pluralism and cultural diversity and enhances equal opportunity within schools, and thus within our society. We are very much aware of the fact that there are some who would advocate the Afrocentristic point of view of having separate classes, programs, or even schools established for designated groups of people. But QEM believes that the pluralistic or infusion approach should be used in our schools. In other words, multiculturalism should be integrated into every course at every grade level and every student should study it, not simply those who happen to be black or Hispanic or Asians or women. We believe that it should be in the science classes, the mathematics, the English, the history, the geography, the economics, and all classes and should reflect the contributions of all people in our society.

Our position on multiculturalism is that it must help all people understand the strength and the beauty of America's diversity. Equally important, our goal is to improve the quality of education all students receive, as opposed to making people feel good. We believe that if young people are able to acquire a quality education, they will feel good about themselves. Therefore, we would demand that whatever is put into the curriculum be of the highest scholarship, and in the development of staff and program preparation for teachers that they must have the training as well.

We believe very strongly that the ethos in each school must be one which encourages multiculturalism, not only within the curriculum, but among the students and among the staff. Therefore, the staff must reflect the pluralism of our society. Staff members must be able to work with all of the students in the school. In order for this to occur, teachers must have access to teacher preparation programs and staff development programs that will enable them to function successfully in a multicultural teaching and learning environment. And let me also say that that is for all teachers, and not simply minority teachers. Simply being a minority teacher doesn't mean you can teach all minority kids. It also means that in light of the fact that 95 percent of the teachers in this country are not minorities, they are going to have to learn how to work with minority students and students from different backgrounds just like minority teachers have to do.

Let me close by saying that schools alone will not solve the problems we face as a society. The tensions are perhaps not as obvious as the violence we saw in Los Angeles, but they are pernicious, and they are as deep. Nor are they always expressed in the form of fires or shootings or looting. The tensions are present in the way we talk to each other, how we treat each other in the simple day-to-day activities, which either bring us together or divide us. They are present in the frustrations we experience when we know our qualifications are comparable to others', but are denied opportunities because of race or gender, or where we happen to live. They are present as we face increased unemployment and poverty and homelessness, and they are present in forms of unequal educational opportunities. Finding ways to fairly and equitably address those issues is critical to the future of America. However, the greatest fear, the greatest concern, we should have is that we are still unable to break out of the racial and ethnic past which has been part of the history of this country.

I believe, as the great philosopher Pogo said, "We have found the enemy, and it is us." Our greatest fear is not an invasion or an attack from some external force. Our greatest fear should be that the internal tensions paralyzing us will implode and destroy us as a nation.

Schools can help each generation to better understand who they are and the contributions which all groups have made to the building of this great nation. Efforts to enhance racial and ethnic harmony as well as political, social, and economic equality can be achieved if all of us personally commit ourselves to making it happen. So far, I am sad to say, we have not lived up to that commitment—we simply have not. These hearings, I believe, are a step in the right direction and QEM is prepared to work with you and anyone else who would like to see us have a more harmonious society.

VICE CHAIRPERSON WANG. Thank you very much.

MS. BOOKER. Mr. Royal.

Statement of Robert Royal, Vice President and Fellow, Ethics and Public Policy Center

MR. ROYAL. My name is Robert Royal. I am the vice president and a research fellow at the Ethics and Public Policy Center here in Washington. The Ethics and Public Policy Center is an independent research organization that occupies itself with a broad range of public policy issues. I am very pleased to be here today and have a chance to testify before this Commission.

I suppose the only claim to expertise that I can make before this Commission is that I have just finished a book on the controversies surrounding the 500th anniversary of Christopher Columbus's arrival in the New World. Although for years I have followed educational issues and certainly have followed the question of multiculturalism, I would like to focus my remarks primarily around some of the discoveries I made looking into the Columbus questions, discoveries not only about Europeans coming to the New

World, but discoveries about Native Americans, and about Africa, and some larger issues.

I would like to start out by saying that while I agree with a fair amount of what Mary Hatwood Futrell just said, I would like to make a distinction. The distinction that I would like to draw is between what I would regard as a "good" multiculturalism and a "bad" multiculturalism. I think in the United States we understand pretty well what we would regard as "good" multiculturalism. This is a country, which, for all its blind spots and all its social limitations in the various years that it has been in existence, has at least in theory wished to make a place for people from as many different cultural backgrounds as possible. I think that is an American ideal that all of us share in and can call multiculturalism, if we wish. I think Ms. Futrell is exactly right that, for example, minorities have shown themselves to be very patriotic, not only in the Persian Gulf War, but in a variety of other ways. The primary problem that we face as a people is not so much a question of some radically new paradigm as it is to live up to our own ideals.

The British essayist and humorist G.K. Chesterton once visited the United States and said that he found the United States to be a nation with a soul of a church. I think that is an important place for us to start out, because Americans—although I think there is a kind of American culture and almost American type—have to recognize that basically what our multicultural society rests on is a series of tenets, a series of democratic tenets. We all, I think, pretty well understand what those are: That all men are created equal. That we are a government of laws, not of men. And that we all submit to a democratic process, rather than break ourselves off into separate groups or seek political advantage in that fashion. That democratic creed has, of course, been imperfectly implemented and followed throughout our history. But I think we ought to start, at least, with the idea that we have been enormously successful in bringing a great number of people into the American tent. I meet with people from various countries all the time and they are astonished that we can somehow manage to live together, despite the very profound problems that we all know exist.

Now opposed to that is something that I would regard as a more pernicious form of multiculturalism and within this pernicious form there may be some glimmers of some good things as well. But I want to be very clear—from my own experience in looking into the Columbus controversy—how I would draw the line between what I regard as "good" and "bad" multiculturalism.

We have to recognize that if what we are talking about in multiculturalism is a program, a curriculum in schools, that what we are after then is not primarily social harmony. In education, our primary goal ought to be to teach truths, to teach skills. Socialization is a very important part of the schools, but if the schools are not based on truths, I cannot see how they can claim to be schools in the first place. One of the things that is very disturbing to me, having looked into the recent controversies about Columbus, is that a great deal of falsehood has been introduced into discussions of these issues, and falsehoods made even worse by inflammatory rhetoric about European groups and about certain things that occurred.

This wholesale denigration by certain multiculturalists—and I want to make clear I am not condemning everybody out of hand—it is so striking that the Harvard historian Stephen Thernstrom recently addressed some of this. He found in one particular work about as much balance and judiciousness as we might expect in the history of the United States written in the Soviet Union in the darkest days of Stalin's rule. This is from a person who has taught a course, I believe, in black history in the United States. He is not by any means an uncritical celebrant of the European part of our cultural heritage. I think that stern warning ought to be a sign of some concern to us, that in our schools—which are free—we may be submitting ourselves to the types of totalitarian temptations that in other countries, unfortunately, have been imposed by government.

I think it is important to understand what Thernstrom was saying on that point. He is not saying that people who just dispute a Eurocentric reading of history or who make criticisms about Europeans are wrong. Those can be made, and I make them myself in my own book. But I think what we have to recognize is that some of

what is passing under the banner of multiculturalism is simply bad history, bad history in that it falsifies the record, bad history in that it is misused in current controversies. I would say that, in particular, this should be of interest to the U.S. Civil Rights Commission because I regard it as a kind of further form of imperialism. When diverse peoples—whether they be Native Americans or African Americans—are told mistruths about their own historical pasts, they are told this for ostensibly good reasons, ostensibly good social reasons in the present. But they lose their heritage yet again. They lose their heritage yet again, because the heritage is redefined to kind of fit what is currently relevant.

Let me give you an example of what I mean. I have been astonished in my research into this book in the great diversity of Native American cultures. I used to think that there was a great deal more harmony among them than there was, but in fact, it is a diversity quite astonishing, and it deserves a great deal of study. I think no one on earth could possibly ever encompass the variety of cultures that existed. But very often this great diversity and even particular cultural expressions of it, particular tribes will get forced into a contemporary mold. A front page story in the *New York Times* in the last month or two gives an example that I would like to just briefly tell you about.

All of us have heard of Chief Seattle, who was an Indian wise man living in the Pacific Northwest in the 19th century. Earlier this year, in April, the Earth Day organizers sent around a letter of Chief Seattle's, which expressed some concern about the environment and the ways in which white men were destroying the environment in his time. He said, in fact, "I have seen a thousand rotting buffalos on the prairies left by the white men who shot them from a passing train."

Now that is a true historical fact. There were many buffalo slaughtered by white men from passing trains. The falsehood here, though, is that Chief Seattle never said those words. He may have had the sentiment, and I don't know that we know that for a fact or not. In fact, those words were written by a film writer, a man named Ted Perry, a Texas script writer for a 1971 film produced by the Southern Baptist Radio and Television Commission. The commission was looking for an environmental message and thought that Chief Seattle would be a good spokesman. Ted Perry, not wishing to deceive anyone, put these words into the chief's mouth.

Unfortunately, this gives an impression of Native American people that I think is going to be false. Those same sentiments were picked up later by a very popular children's book that is currently on the *New York Times* best seller's list called *Brother Eagle, Sister Sky: A Message from Chief Seattle*. When the illustrator was questioned about this dubious attribution to Chief Seattle, she said, "Basically I don't know what he said, but I do know that the Native American people lived this philosophy, and that is what is important." I find that a disturbing imperialism. The chief's real views do not seem to matter. What his people believed does not seem to matter. What Native American cultures thought about in the past do not seem to matter, just as long as they contribute to something in the present.

In point of fact, Chief Seattle was a baptized Roman Catholic. Harsh as it may be for certain groups to hear it, he held eight slaves up until the time of Lincoln's Emancipation Proclamation. My impression is that he was a rather wise man who had some interesting things to say about red and white relations, but I think that it is very important for us to recognize that, in the desire to repudiate some shameful incidents in America's past, we do not go and create another dishonorable episode—and that is to submerge what the actual historical record was for current concerns.

I found in the course of this Columbus book that there are many interesting things that have been pointed out by multiculturalists and other critics of European legacy. But I think it is also important for us to recognize that what happens in most multicultural presentations is that there is an idealization not only of Native American, but also of African American, history that partakes of the same sort of later imperialism that I have been talking about. Native interactions with one another were not always harmonious and quite often they were, in fact, based on tribal and group rivalries—which I am not sure as a nation we want to endorse. I don't think we want to in any way endorse separatism and tribalism in modern day America.

I could go on and talk a bit about some of the things that I picked up from the African American side of this, and I will be happy to respond to questions later, but let me just conclude with an observation about the New York State multicultural report that was proposed for curriculum revision. I have to disagree with Ms. Futrell. I don't think that the inflammatory nature of this was created by the media. It was actually created by the people who did the writing themselves. One of the contributors said that it would be a good thing if Western culture were to disappear from the face of the earth; it would be a good thing for humanity as a whole. I think that is a quite extreme and quite dangerous thing to say in an inflammatory set of social circumstances.

For all its failings, the kinds of things that have attracted people to this country, like the rule of law, like opportunity, are very important in the world and very rare in world history. The New York State multicultural report called itself *One Nation, Many Peoples, a Declaration of Cultural Independence.* Let me just remind you after the last time someone wrote a declaration of independence we fought a war over it. I think we want to be very careful that in our sensitivity to one another's past, and in our desire to make all of our cultures better represented in our history books and in our teaching, that we do not actually induce some of the same kinds of tensions and outright violent conflicts that we so desperately are trying to avoid.

VICE CHAIRPERSON WANG. Thank you.

MS. BOOKER. Ms. Scott?

MS. SCOTT. Interdependence.

MR. ROYAL. Oh, is it "interdependence"? I thought the *New York Times* story said "independence."

Statement of Joan Scott, Professor of Social Science, Institute for Advanced Studies

MS. SCOTT. My name is Joan Scott. I am a historian and professor of social science at the Institute for Advanced Studies in Princeton, New Jersey.

I guess my comments speak to the question raised by Mary Futrell about the integration of multiculturalism into the curriculum, and they focus on the question of how to accomplish that integration. The debates that have been raging for the last few years about multiculturalism in the school and university curriculum should be read as an expression of ethnic and, especially, racial tensions in this country. Multiculturalism usually means attention in our teaching to the historical experiences of racial and ethnic difference in American history, and to the fundamentally different perspectives and points of view these experiences have created.

The debates may seem academic in their concern with history and culture. Indeed, some have argued that they are a way of avoiding discussions of the hard realities of poverty, discrimination, and segregation faced disproportionately by African Americans and other minority populations.

I think it is more accurate to say that the debates about multiculturalism are debates about how to understand and analyze the realities of minority group experience in a dominant Anglo Protestant culture; how to teach future generations to think about those realities, to evaluate them, and perhaps even to change them. At stake are the meanings of our national history, our identity as Americans, and perhaps most important of all, our understanding of ourselves as active citizens in a democratic society.

There are at least four positions. I would disagree—I don't think there are two but four positions, at least, in the debates about multiculturalism. The first argues for a common American cultural heritage. The second advocates cultural pluralism. The third represents ethnocentrism or cultural nationalism. And the fourth, the position I would like to support, is one I call the Madisonian or the democratic position.

The first position—the one that argues for a common American cultural heritage—addresses racial and ethnic tensions by minimizing or denying them as ongoing features of our history. It, therefore, charges multiculturalism with calling attention to difference and, thereby, producing divisiveness. Articulated by an alliance of conservative and liberal historians, this position stresses the commonality and cultural homogeneity of America. "Within any single country," writes Columbia University historian Kenneth Jackson, "one culture must be accepted as the standard." In this view the imperative of unity overrides questions such as, "Whose standards define this 'one culture'?" and "What are the

costs of imposing them?" It eliminates voices of protest and dissent by labelling them "particularist," in opposition to those who sounded what is defined as the universal or common theme.

The opponents of multiculturalism dislike its emphasis on groups, believing instead that the story of America is that of a shared community of individuals benefiting from democracy. C. Vann Woodward approvingly cites Woodrow Wilson's warning to new immigrants: "You cannot become thorough Americans if you think of yourselves in groups. America does not consist in groups," says Wilson. This, Woodward says is "the historic theory of America" developed by "Americans themselves."

That such an assertion is contradicted by the social conditions in Wilson's own time—soldiers were separated by race and employees by race, ethnicity, and gender—is irrelevant for Woodward. Yet for those people who did not fit the pattern of the representative American citizen—white, male, middle class—as it has been depicted by political leaders and traditional historians, group identity has been an unavoidable, undeniable reality in our nation's history—not because color or gender or ethnicity has an inherent transcendent meaning, but because the structure and operation of institutions, the teachings of churches and schools, the practices of governments and employers all have defined people as members of groups and, on the basis of those group definitions, treated them differently and assigned them unequal places in society.

This experience of being defined as different from some norm (the experience of discrimination and exclusion) is not something added on to one's fundamental being as an individual; it is an intrinsic aspect of one's subjective identity because it is part of the context within which one lives, part of one's history. The ideological commitment to individualism by the opponents of multiculturalism suppresses analysis of the hierarchical structures that define groups and produce group identities; so, too, individualism efaces racial and ethnic tensions, the hierarchical structures they generate, and the social and historical significance of those tensions.

The problem defined by the opponents of multiculturalism is a worthy one: how can we conceive of an American community? Their attempt to address it, however, by insisting on the sameness of us all cannot take account of the conflict and tensions that stem from our differences.

The second position in the debate on multiculturalism, the pluralist position, recognizes the importance of group identities, treating them as the permanent traits of enduring cultural differences. This position is probably the dominant one these days, articulated by the popular press, by television commentators, and the new "multicultural" textbooks. Associated most often with calls for tolerance of diversity and for pluralism, this approach explains difference largely in terms of a group's heritage and tradition. In its best manifestations, the pluralist version of multiculturalism introduces the notion that there are different points of view: American Indians do not think that Columbus "discovered" America, for example. It also brings to national attention previously marginal or invisible literary and artistic forms and expressions, such as the extraordinary creativity of African American women writers, to take only one example.

In pluralism's worst manifestations, group identity is made a matter of regional costumes and exotic foods or of unusual "hobbies" pursued by ethnic children; it has little to do with the political or historical experience of these groups, an experience usually of exclusion and discrimination. Most serious, the proponents of pluralism assume that an appreciation of different heritages and traditions will reduce ethnic and racial tensions by itself; intolerance is assumed to stem from a simple misunderstanding of someone else's necessarily different point of view.

But tolerance, after all, means suspending disapproval or dislike; and one's power to exclude or discriminate based on that dislike, the ability to tolerate rests on the superior position of one group over another. This meaning of tolerance is completely ignored by pluralists, who most often present tolerance as a reciprocal relationship, rather than an unequal power relationship. In the attempt to reduce tensions through toleration, the sources of tensions are overlooked or underestimated.

Yet, ethnic and racial differences are not reflections of innate qualities or timeless heritages; they are produced in specific contexts, at specific times, and produced as a relationship.

Difference becomes important socially when defined as a deviation from some assumed norm. (Irish workers were thought to be inferior to other white ethnics in 19th century cities; women workers were thought to be incapable of acquiring men's skills; blacks were considered children needing the guidance and control of whites.)

Furthermore, differences among groups are conceived as unequal—some groups are taken to be better than others. The form of social organization and the exercise of political power take place in terms of these differences. The experience of difference as inequality leads not so much to benign diversities of cultural practice, but to conflict and contest about rights and justice, politics and history; to viewpoints so different that they cannot be resolved into variations on a single theme or a harmonious chorus of multiple voices.

If we want to understand racial and ethnic tensions and to begin to resolve them, we must be willing to accept the fact that in a multicultural society such as ours, there is contradiction and conflict, and that it stems from the inequalities that are built on and that also build differences among groups.

The third position in the debate on multiculturalism, most often labelled "ethnocentrism" or "cultural nationalism," brings previously marginal histories to the center of the story. The point is to understand racial and ethnic tensions from the perspective of those who experienced discrimination and to right the balance of long neglect by recognizing the contributions to history of previously excluded individuals and groups. Ethnocentric history challenges the universal claims of received historical wisdom by introducing another perspective on the past, a point of view which sees the worth of what has been excluded, and which explicitly criticizes the blindness of historically dominant perspectives. Such a shift in perspective has invigorated academic discussions and revived critical interest in issues once thought to be closed, among them questions about the so-called origins of western civilization or about African contributions to early scientific and mathematical discoveries.

Ethnocentrism insists on the independent status of a particular group's knowledge and on the impossibility of including its story in the dominant story. When Molefi Kete Asante, a professor at Temple University, focuses analysis on "Africans as subjects of historical experience," he finds that "our paths are different; we did not come to this country on the Mayflower. . . . Africans did not see a mountaintop of possibilities, but a valley of despair upon arrival. Out of this history we have constructed a reality that can neither be minimalized nor trivialized as we work towards the common good." Asante and his colleagues are rightly skeptical about integrating this perspective fully into what he calls "Eurocentric" history, because that history has typically been written from the perspective of whites, and it has treated minority history as decidedly less important, if it has treated it at all.

For ethnocentrics, multiculturalism means the coexistence, as separate bodies of knowledge, of different cultural perspectives. Although it is hoped that many different groups will learn about each other's different perspectives, the primary audience is expected to be members of the particular culture itself. The drawback here is that separate stories will tend to remain too separate, circumscribing the field of knowledge so that structural relations among groups are obscured. Ethnocentric history assumes that the choice is between assimilation, with the loss of attention to distinctive group perspectives, and separation, with its validation of the integrity and uniqueness of the group's experience. From this viewpoint, Balkanization is preferable to invisibility.

But what if integration in the sense of assimilation to a shared perspective were not the goal? What if we could conceive of a multiculturalism defined in terms of contradiction and conflict, as well as of consensus and compromise? What if the community of Americans was thought of, not as a homogeneous body of shared ideals and values, but a heterogeneous, necessarily conflicted association of sometimes competing interests? What if our history was the history of our conflicts, of the ways in which ethnic and racial tensions came into being, persisted, and were sometimes successfully resolved, sometimes left unresolved?

That kind of history is the goal of the fourth position—which I will take one second to describe to you—the one I endorse, the one that

might be called the Madisonian or democratic position in the debate on multiculturalism.

This approach assumes that Americans have always been divided in one way or another along lines of race, ethnicity, religion, gender, class, and ideology. In contrast to those who argue that community must always be unified and homogeneous, its proponents take seriously James Madison's notion that conflict among what he called "factions" is essential for guaranteeing liberty, that such conflict is the mark of true democracy. History, then, is taught as a series of conflicting interpretations, not as a body of received truth. In the words of the authors of the New York State Social Studies Syllabus Review and Development Committee, in the report that was called *A Declaration of Cultural Interdependence*, they say, "because interpretations vary as experiences differ, a multicultural perspective must necessarily be a multiple perspective that takes into account the variety of ways in which any topic can be comprehended." For this to be more than a celebration of pluralism, which assumes that we are all different in the same way, students must learn that there are inconsistencies and discrepancies between ideals and reality, and they must learn, by historical example, of the "real possibility of successful struggle on behalf of freedom." This kind of history, the report argues, will help students to become democratic actors with a stake in the future and constructive roles to play.

In a society in which less than half the electorate normally votes, in which politicians and news analysts talk about aid to cities as a lost cause in a presidential campaign because "the voters aren't there" in the cities, this kind of multiculturalism might help realize the long-held goal of making America a more democratic and a more egalitarian society than it now is or has ever been.

MS. BOOKER. Thank you.

Statement of Roger Wilkins, Professor of History, George Mason University

PROFESSOR WILKINS. My name is Roger Wilkins. I am professor of history at George Mason University. I have a long and a varied work history; it includes having been director of the U.S. Community Relations Service in the 1960s and a part of the team that was sent by President Johnson to Watts in the summer of 1965.

I am going to speak from the perspective of having taught now for 6 years students who are primarily white. The result of my observations of these students and what they bring to the classrooms, some of them when they are juniors and seniors in college, is that the educations that they receive in this society totally unfit them for citizenship in a society as diverse and problem plagued as our own.

I agree almost totally with the comments that Professor Scott has just made, and what I will say really could be considered almost an extension of what she has said, although, God knows, she will not want to take responsibility for what I am about to say.

At the risk of ripping asunder the deep and long friendship I have with my colleague and friend, Dr. Berry, I will begin by saying that I agree with Vice President Quayle. I agree with him that, in fact, what we suffered in this society and what precipitated the disturbances in Los Angeles, where I was yesterday, is a poverty of values. I would also say that it seems to me that the Vice President of the United States is a prime example of the need for multicultural education in this society.

The view that some people take in supporting the idea of multicultural education is that it is somehow necessary to repair the injuries done to minorities, the notion that racism only hurts blacks, Native Americans, Hispanics.

As a matter of fact, the social scientists' brief that was submitted to the Supreme Court with the *Brown* cases, which were decided 38 years ago this week, made the point that racism injures whites. Now it happens that Chief Justice Warren only chose to cite the other half of that proposition, that racism injures blacks. But those who wrote the social scientists' brief believe that the point that racism injures whites was equally powerful and important, and we were very disappointed that the Chief Justice only chose to emphasize one half of their point. I see that damage every day. White students come into my classes with the belief that they are standard human beings and that any deviations from them and their cultures, no matter how deprived their culture may be, are deviations to

the detriment of the individuals who don't share their background.

I see black students come into my classes, and sometimes Hispanic and occasionally Asian students, struggling through the invisible sludge of the racism in this society that is loaded with the belief that these youngsters are substandard. I see them encounter the attitude from other students and sometimes professors in, "Well, what are you doing here, in our place, in our public university here?" And it all adds up to an atmosphere in this society that now, 50 or so years after the publication of Ralph Ellison's great novel *The Invisible Man*, still points at the truth of the central insight of that novel. Essentially minorities, but particularly blacks, and particularly poor blacks, are viewed as substandard people who are not worthy of consideration, thought, time, and Los Angeles is a terrific example of that.

Deindustrialization has been ripping through the United States at an incredible rate in the past few years. According to William Spriggs, an economist with the Economic Policy Call Institute, the United States has lost 2 million industrial jobs in the period 1979 to 1990. Those jobs, as everyone knows, are the jobs that the underclasses of eastern, southern, and western Europe used to get a handhold up into American society. They are also the jobs that poor blacks from the South used to get a handhold up into American society. They are, for example, the jobs that my family used when coming from a peasant background in Mississippi to get a handhold into the middle class of this society. But deindustrialization was barely noticed before the Bush recession of 1991 because it hit blacks first and hardest.

Consider the fact reported by the National Academy of Sciences a couple of years ago, that from 1969 to 1986 black men 25 to 34 without a high school education lost about 33 percent of their earning power. That loss deprived them of the capacity to support a family of four above the poverty line. Or consider the estimate of a UCLA sociologist that 50,000 jobs have been lost in south central Los Angeles over the last three decades, or the Census Bureau estimate that 40,000 youngsters 16 to 19 in Los Angeles are out of school and out of jobs.

These are the facts of American distress, American pain. They are the facts that underlay the explosion in Los Angeles. But they were not a factor in the presidential campaign; they were not issues that the press pushed upon the candidates because these people were invisible. Then the explosion occurs, and people say, "Well, why don't these people act differently? Why don't they have the values that upper and middle-class people have? Well," they say, "because families have fallen apart." That is where I agree with Vice President Quayle.

I believe that there is no social program in this world that can do for a child what a fairly effectively functioning family can do, but the Vice President stops there and, consequently, foists upon the American public a relentlessly stupid and incredibly irresponsible analysis of the riot—because his view is that the responsibility for family breakup has to do with the sexual attitudes and mores of the people of south central Los Angeles.

You cannot have families that are healthy and functioning without jobs. It does not work. And the jobs in places like south central Los Angeles have been disappearing, going south to Mexico, across the Pacific Ocean, or just kind of evaporating as a result of the casino capitalism practiced in the 1980s.

The poverty of values in this society is that we could practice casino capitalism, that the administration could resist, for years, any raising of the minimum wage; they could force a diminution of the value of welfare benefits and still turn around and argue that the problem in these communities is that the values of the people who live in the communities don't work. The fact is, if Dan Quayle and the people with whom he works were not so ignorant about the full humanity of the people who live in those communities, were they not so ignorant of the fact that everybody who hits depression and recessions and loses jobs begins to disintegrate—families begin to disintegrate, alcoholism goes up, suicide goes up, child and spousal abuse goes up, among white people as well as black people. Places like south central Los Angeles have been not in a recession, but in a depression, for the last 10 years.

Nobody but an ignorant person, therefore, could make the comments that the Vice President of the United States made the other day.

And nobody but a horribly miseducated public could take such ignorance and deal with it as a reasonable public discourse.

Until we find a way in our society to respect all human beings—and that means respecting them first in the curriculum to which our youngsters are exposed—we will continue to suffer foolishness out of the mouths of our public figures, but much worse than that, gross, awful tragedies—not like the outburst in Los Angeles, which is a mere manifestation of the daily pain and horror suffered in such communities. We will continue to suffer the daily pain and horror that you don't have to go across the country to find. All you have to do is go about a mile and a half from here, up to Shaw, to find pain, suffering, anguish, which shames our nation, which is invisible because we won't teach ourselves and our children about our common humanity.

VICE CHAIRPERSON WANG. Thank you.

MS. BOOKER. Mr. Anderson.

Statement of Mike Anderson, Executive Director, National Congress of American Indians

MR. ANDERSON. My name is Mike Anderson. I am the executive director of the National Congress of American Indians. Our group represents over 140 American Indian tribal governments and also Alaskan Native governments in this country. We are pleased to present our testimony today before the U.S. Commission on Civil Rights concerning your topic Racial and Ethnic Tensions in American Communities: Poverty, Inequality, and Discrimination. Before I begin, I thought I would just give some background on the Columbus Quincentennial topic that Mr. Royal mentioned.

The quincentennial is something that we are asked about a lot at the National Congress of American Indians, and there are a lot of perspectives on this. Because the tribes are so diverse, there is a range of opinion from tribes who want to protest this type of event, ignore it, or get a perspective on it. There are many American Indians today who feel a very deep bitterness towards Europeans, towards white people, because of the legacy of Columbus and others.

We think that in the initial stages of the discovery, or I should say "so-called discovery," when there were two or several nations that were equals, European nations and Indian nations were involved in a process of exploration where whites and Europeans could trade their culture of tools, horses, medicines, written literature with Native Americans for Native American crops, philosophy, religion, cultural practices. That type of exploration would be a fair one. Those types of trades would be a fair one. But that is not the legacy of this country.

The legacy is a legacy of exploitation in which the dominant nations exploited American Indian reservations and American Indian peoples through wars, through diseases, through broken treaties, and, in fact, reduced our population from 2 million to 300,000 in 1900. Two million people in a diverse culture were here in the United States prior to the arrival of Columbus, and that was reduced in many ways through this history of what has been called the "Century of Dishonor," which is really even longer than just the 1800s. That policy continued on in the 1900s through the official government policies of termination, of assimilation. So American Indian governments today have that legacy from the U.S. Government of those policies. The one single fact that remains, though, after this 500 years of encounter with Europeans and non-Native societies and governments is that we have survived. We have a sovereignty today. It is not the full sovereignty that we enjoyed at the time of the encounter, but we have an official government-to-government relationship with the United States Government. Each of our Indian nations here has that government-to-government relationship. That has been the official policy of the U.S. Government from President Nixon on through President Bush.

They have all emphasized that there are three sources of sovereignty here in the United States. There is the United States Federal Government. There are State governments and there are tribal governments. I think that is one of the educational processes that we have to begin, as Native Americans, to inform the American people and also our representatives here in Congress that there are three sources of government in the United States today. We are not political subdivisions of States. We are separate entities, although not enjoying the full powers that we enjoyed at the time of the encounter, we do have some form of diminished sovereignty.

Mr. Royal asked, "Do we want to endorse tribalism in modern day America?" Our answer would be: "You have no choice." The Hopi in Arizona, the Quinault in Washington State, the Seminole in Florida, the Iroquois in New York, they are not going to ask for your endorsement on whether they can remain tribes or not. They have been practicing their religion and their culture for thousands of years and, I think, they are going to continue regardless of what the United States Government has said. The Government in the past has tried to terminate tribes, and those tribes that maintain their culture, maintain their religion—although not as well as they would have done if we had maintained official tribal governments—they still have remained. The Menominee Nation in Wisconsin is an example of that. Their official government relations were terminated by the U.S. Government in the 1950s, yet they remained as a tribal body. They practiced their religion. Eventually after a course of time, their tribal governmental powers were restored and they are now a fully functioning tribe today.

So when we talk about multiculturalism and tribalism, American Indian governments are going to remain as part of this fabric of the United States, but they are going to maintain their separate identity. I think it was Ms. Scott that mentioned the Madisonian version of multiculturalism, a multiple perspective. I think that is the philosophy that we would have as well, that there are many perspectives on multiculturalism, on our relations with the U.S. Government, and there is not going to be one set of truths that are set down for all peoples. History has been written by the winners here. We make this offer to someone with the philosophy of the statement made by Mr. Royal: We will pull that one book on Columbus that may contain some mistruths, if you pull all the thousands of books that have been written about Native Americans with mistruths. That is a fair trade for you. We would be glad to do that because the history books across this country are filled with misconceptions and mistruths about American Indian religion, about our governments, and about our history.

Where there are cases like the Chief Seattle example or *Brother Eagle, Sister Sky,* we don't endorse that type of approach. There are plenty of good valid historical statements from chiefs like Black Elk and Spotted Tail and Red Cloud that are documented and that are true. Where they are not true—we have investigated this Chief Seattle story and it doesn't appear that the statements that have been attributed to him are true—that is not something that we will support, because there are enough other good valid testimonies and prophecies by Native American leaders not to rely on mistruths. So we are also in the search for truth as well, but you have got to realize that there are different perspectives out here from the many member tribes of our organization and others.

In terms of multiculturalism in education, we found that in the last few years, there has been an upsurge of interest in education in Native American culture and values, and we appreciate that and we think that is a good sign. That is a good development. Images of Native Americans from the past, and particularly through Hollywood, have not been good ones. You have seen the images from Tonto to non-Indians playing Indians; it has been a very negative image that has been portrayed of American Indians.

With the film *Dances with Wolves,* which albeit portrayed a romanticized version of Native Americans, that has stirred interest in at least a positive perspective for American Indian tribes. To have our language on film is also a positive development. *The Broken Cord,* which is a television series about fetal alcohol syndrome, was another positive development. There are a number of other movies now coming out about Native Americans that contribute to this education. *Thunderheart* and others are all positive developments for us in terms of our image, which is important in this era of multiculturalism—to show that there is not just one narrow perception of Native Americans.

Yet, even in spite of these images, we find that there are still dangerous misconceptions about us that are exemplified both through mascots and through marketing efforts. Just the other day we appeared at a hearing before the Select Committee on Children and Families chaired by Patricia Schroeder on a beer called Crazy Horse Malt Liquor that is being promoted to the general public with the image of Crazy Horse—who was a great spiritual leader of the Sioux people, who was undefeated in battle, and who was

against alcohol. Yet this marketing company has tried to use this heroic image to sell its malt liquor. So we object vigorously to this desecration of the great leader Crazy Horse.

Andy Rooney is another example, a widely syndicated columnist, who wrote recently in a column that Indian people have no art, no culture. So this philosophy is out there today, and we have got to fight it. We are going to think a few minutes with Andy Rooney is like spending a few minutes with David Duke—that same type of philosophy is there.

Finally, what this points to from the Native American organizational perspective is that we have got to begin to educate American Indians and others on our culture. In that regard, this fall we are going to launch a major public relations effort designed to educate American Indians in support of the American Indian Religious Freedom Act, which is designed to protect sacred sites and allow tribes to practice their traditional religions, and also to reverse two dangerous Supreme Court decisions that have taken these rights away. We will be beginning this effort through our tribes and others and through the U.S. Congress as well. They will be holding hearings on this issue to further this idea of multiculturalism—the Madisonian version of multiculturalism that Professor Scott referred to. We look forward to working on those efforts and also providing information to this Commission on Civil Rights hearing on some of the developments in this area. Thank you.

CHAIRPERSON FLETCHER. Thank you very much. I am going to remind each one of the members of the Commission panel that we are asking you to also control your remarks to the extent of minutes, so that each one of you can have an opportunity to ask the questions you want to and give the respondents a good chance to respond. I will bypass my minutes and let those of you who have been sitting through this entire panel ask your questions. I will have some to ask after you have finished, but let me start on my left now with Carl Anderson.

COMMISSIONER ANDERSON. Thank you, Mr. Chairman. I would like to begin by saying that, at least in the view of this Commissioner, I find personal attacks on the President or the Vice President or any member of Congress to be uncalled for in this hearing, and not helpful to a Commission that prides itself on being nonpartisan and is attempting to transcend partisanship, particularly in an election or campaign year. So having said that, I would like to ask Mr. Anderson—he mentioned the film *Dances with Wolves*—whether he has seen the film *Black Robe*, and whether he thinks that is an accurate or a fair depiction given how he would perceive multiculturalism.

MR. ANDERSON. I haven't seen that movie. From what I understand, it has been called a realistic *Dances with Wolves* or less romanticized version of the cultural period of the Iroquois. I don't think there is anything to fear from having exposure of different perspectives like that. I think that we welcome it. I don't know of the historical accuracy of it—I haven't seen the film—but I don't think that we should be paralyzed from having exposure to different perspectives. That is part of the value of multiculturalism. We would just like to have some balance, and that is where we see in the past and in Hollywood, that the perspective has been completely one-sided. Now we are only beginning to right that balance.

COMMISSIONER ANDERSON. I found Professor Scott's testimony to be very interesting, but it leads me to the conclusion that, perhaps, what we are not talking about here so much is not history, but more in terms of an ideology with historical footnotes. I would like you to comment on that.

MS. SCOTT. I don't think that is the case at all. I think what we are talking about is how one looks at the history of this country. What we are talking about are the values of the founders, for example, in defining democracy. I think the Madisonian notion that factions were essential to liberty underlies the sort of history that I am talking about; that is, one understands that there have been great conflicts, which there have been. We can go back and go through most of American history, the arguments about the Constitution, the arguments about any number of Supreme Court cases—just to take the most national and dramatic ones—the Civil War, the American Revolution, and find a variety of opinions, a variety of very deeply held and very different views that can't be added up unless you do it ideologically to a common single view about what happened.

I would argue that many of the history textbooks that we read, which are simple stories about the happy progress of democracy, are the ideological examples of history, and that the real history is a history of conflict, differences of opinion, one side wins, another side loses one time. Every presidential election is like that in some way or another.

That I think is the more accurate history and the way in which one then addresses reasonably the sorts of tensions and conflicts that Mary Futrell describes as existing in the classroom, the sort of tensions and conflicts that the students Professor Wilkins talks about don't understand, if they are coming from groups who have not been taught that there are differences of opinion, differences of perspective, different ways of understanding what is happening, what has happened in the past.

COMMISSIONER ANDERSON. Do any other members of the panel want to address that?

MR. ROYAL. I think that I am grateful to Professor Scott's four-part division which doubled my original two-part division. I think it enriches it in a variety of ways, but I think there is a weak spot in the way you present the Madisonian position because the thought of the founders is not solely a matter of pluralism. It is not solely a matter of multiple perspectives philosophically. If one of the defining phrases about the United States is *E pluribus unum*, there is both an *unum* and a *pluribus* out there, and it seems to me that one of the crucial distinctive marks of the United States is to say that we hold certain truths to be self-evident, that some truths are not pluralistically defined if you wish to be an American. I mentioned those earlier; all men are created equal, a government of laws, etc. Once we recognize that there is that *unum* in the plurality, it changes things a great deal as you look back over the historical record in particular.

I tend to focus my remarks on this Columbus material that I have been working at. One of the most interesting aspects of that history is the way the Spaniards had to rethink their conception of the human person, and what constituted human rights in contact with the Native American peoples. I agree with a great deal of what Mr. Anderson said. I think the Native American peoples have been badly portrayed, and in many cases, not portrayed at all as actually they were. But there was a very interesting moral development that began, that people had to extend the idea of what a human person was when they encountered new peoples who had been unheard of before. It also presented them with some other difficulties—some Native American societies were hierarchical. There was not equality by any means. Some practiced what people thought were violations of natural law such as human sacrifice, cannibalism, torture, etc., which we still regard as contraventions of natural law. While on the one hand we want to encourage these pluralistic perspectives, I think we have to recognize that as a people we do hold certain truths to be self-evident. We don't allow all Native American tribes to reconstitute themselves, practice ways that they were practicing 500 years ago, because they come into conflict with some principles that we all hold in common and we think apply to all human beings on the face of the earth. So I am largely in agreement with this idea about factions, but let's not lose the *unum* in the *pluribus*.

PROFESSOR WILKINS. I would first like to respond to the rebuke that I received. I don't think that elected officials in the United States, particularly in election years, are above criticism. Moreover, when a public official and an administration tend to exemplify the injury which, I think, our defective education system, inflicts on our society, on our public life, in the area that this Commission is examining—racial tension—it is perfectly appropriate, in my view, to point out the fallacy of the views as an example of the problems we face. I think it is ridiculous to say that the positions taken by public officials for political profit in an election year are above review and comment in an democratic society.

I would like to comment on Professor Scott's really superb analysis from exactly the opposite direction that Mr. Royal came at it from. I think she is awfully generous to the founders frankly. Madison did talk about factions, but if you think about the Declaration of Independence and this tenet that we take so seriously, Thomas Jefferson had no sense in his mind whatsoever when he wrote, "We hold these truths to be self-evident, that all men are created equal," that that meant everybody. The fact that it didn't mean everybody is very important in American

history. Of course, it didn't mean women. It certainly didn't mean the hundred or so slaves that Jefferson owned and who were enriching him with their unrecompensed labors. It certainly didn't mean the Native Americans whom he mentioned in the Bill of Particulars against King George, and he said of the Native Americans, "Merciless Indian savages, whose known method of warfare is to make no distinction among men, women and children." He certainly didn't mean them.

Yet most of the youngsters who are trained in this country, educated in this country, don't understand that, haven't been taught that. Madison when he talked about factions was really talking, in my view, about economic factions. He didn't have Betty Friedan in mind. He didn't have Ben Hooks in mind. He didn't have A.I.M. in mind. When he was arguing for the adoption of the Constitution, he said that three-fifths enumeration of blacks was perfectly fine in *Federal 54*, because after all, in being vendable and being subject to corporal punishment, they really are debased, and mixed human and property and, therefore, the idea that they are three-fifths of a human being is perfectly appropriate.

So, there was a *pluribus*, okay. It wasn't a *unum*, didn't start out as a *unum*, The fact that it didn't start out as an *unum* has enormous consequences for our society today, and when our children are taught that they are profoundly miseducated. It leads to very severe errors of policy and in the allocation of resources in this society, not to mention very foolish public comments by political, public officials.

CHAIRPERSON FLETCHER. Commissioner Buckley?

COMMISSIONER BUCKLEY. If I may, I would like to have Ms. Mary Futrell answer this one first and then anybody else who wishes to respond.

We have State Advisory Committees all over the country, one in each State and one in D.C. A couple of years ago I was in Iowa in January, in 1986 or 1988, and one of the hearings contained a discussion of the gifted and talented program. I was very surprised—it really didn't make any sense to me because I am a high school physics teacher—that some of the individuals that were there testifying were talking about the gifted and talented program and they were saying several things. One, we had a group of parents that were saying, "We don't want our children in those programs," because they were alleging they didn't service the needs the way they should have. First of all, it was the parents didn't want the children in the GT program. Secondly, some—and in this case it was the Hispanic leaders—were saying, "Well, nobody told us that there were GT programs in the schools. How come we didn't know?" So they were alleging that they did not know what the process was for inclusion, as well as the fact that they really were not involved, period.

I would like for you to respond to these comments with regard to Virginia, where your children were growing up, and then provide a national perspective, if you find that this is something that occurs in GT programs all over the country either through ignorance or disinterest or a lack of confidence in the programs, if that explains some of the isolation that you saw.

MS. FUTRELL. Sure. Thank you. First of all, I would like to comment that when we talk about multiculturalism, especially when we talk about it in terms of the schools, it is more than the curriculum. It is the whole ethos; it is everything that is going on in the school. When we look at the curriculum and the way schools are structured and then we try to address it from a national perspective—because that will certainly characterize what is going on in Virginia.

Basically, what we have in place are five tracks. We have the gifted and the talented track, the academic track, then we have the general track, the vocational track, and then we have what we call the special education track. Students are grouped as early as kindergarten to go into those tracks. They maybe are not that clearly defined at the elementary level, but they certainly are at the secondary level. By the time they get to the secondary level, because of the experience they have had at the elementary level, it is pretty clear where they are going to be and who is going to be in which track.

When you walk into almost any school in the United States of America, you can basically tell what the track is while looking at the makeup of the student population in there. So if you go into the gifted and talented program it will probably be predominantly white, and predominantly middle, upper class white. You will have some

Hispanics, or some Asians rather, and that will probably be the largest minority group represented. You will have a few blacks and a few Hispanics in it. You will have more, slightly more representation at the academic level, which is just a step below the gifted and talented program. Then at the general track level you will have predominantly Hispanic students. You will find that the black students are, for the most part, in the vocational programs, with a disproportionate number of black boys and Hispanic boys in the special education track. So that is the way it is set up.

Many of those students are in those programs because they are counseled to be in them. They are placed there because of test scores and because of past performance in classes. Some of them are there because of self-assignment. They select where they want to be, especially at the secondary level. When you look at the gifted and talented program, it is of the five perhaps the most selective about who will be able to study that particular curriculum. Those students are generally selected by the counselors and teachers. I would say the third criterion would be test scores. Oftentimes, and let me be very candid, if you do not understand the structure I have just outlined, then the assumption is that your child is going to receive basically the same education all other children will receive. That is not true. That is why I made the comment earlier that we do not have a common curriculum in the schools. If you know the process—and a lot of this is political as well as educational—then your child will be more likely to get into those top two programs than if you don't. Several of the kids get in because their parents put pressure on the school officials. Some get in because they are gifted and talented. Some get in because, let's be honest, there are certain slots which have to be filled. That is how they get there.

What we find is that the system is structured now, and there is ample evidence—not just anecdotal—and studies have been conducted by people like Jeannie Oakes, and Robert Slavin from John Hopkins University, by Henry Levin, you can go right down the list—showing that the process works as I have described it. It is typical of what you would find all across the United States of America. The way the process is set up, basically, will determine what you are going to do in life. If you are not in the gifted and talented or academic programs, you don't receive the background to qualify you to go to college. You can get in, but it is much more difficult for you. It is a political process as well as an educational process.

There are some of us who are strongly advocating that we will not see improvements in education until that system is radically modified. That is a political question in this country as well as an educational question. We believe that minority students, in many instances, are deliberately excluded because they don't have the information, because they don't have the experience, or because of the test scores, whatever, they are excluded from those programs. That, too, has been documented.

The question you ask about some parents don't want their kids in there, I have not run across too many. I have run across a few. It is usually the opposite way. People want their children in there and the question is often raised, "Are those kids really gifted and talented who are there, or are they simply there because of the pressure which has been put on the system?"

Regarding the process of inclusion, I would say that it is not very inclusive. As I said, my kids were lucky. We have twins and both of them were fortunate enough to get into the program. But the fact that they, as sophomores and juniors, were able to make the observation that there were no other blacks in the program, I think is to their credit. There were no Hispanics. There were some Asians, but that was it.

COMMISSIONER BUCKLEY. One of the reasons parents gave was the grades and the ranking, and the grades would be different, would be lowered, so they didn't want them in those classes.

MS. FUTRELL. Right. Well, I think the lowering probably means that they felt that their children would be under such pressure, and it would be more difficult to get an A or a B, but if they were in the plain academic program, they could have a higher grade point average, so do we really have to have this to get into this particular institution? Most colleges and universities will accept the academic and the general track—as a matter of fact, all of them will.

COMMISSIONER BUCKLEY. Dr. Scott, in going to Los Angeles, some of what we heard there, was that we needed to go back to the schools and

work with schools and then teach the children tolerance, how to get along with each other. Some of what we heard there was that it was an ignorance of other peoples that produced this problem. That would take care of the people who were involved, but what about the ones that have dropped out of school, the ones that are not in school any longer, that are say, 19 through 30 years old? How could we tell them about the Madisonian theory of pluralism? What vehicle do you think we could use to help them understand what it means?

MS. SCOTT. Well, I guess after the fact of dropping out, I don't see that a multicultural curriculum—I mean, I think the implication of your question is that a multicultural curriculum is not going to solve all the problems. I certainly think to argue that the way one teaches in the schools is going to solve everything would be a mistake. The issue of jobs, the issue of what kind of future you have, the issue of how politics is organized are really also important.

I guess I would say that many kids who drop out of school, though, might not drop out if they saw something in what they were being taught that fit the realities of the lives that they lived, if they were engaged in some way to think about the relationship between what they were feeling and living and experiencing and what they were learning as history. For example, going back to this question of "all men are created equal," I think that there are ways that one could teach that issue, in which one said there was this principle that stated that "all men were created equal." Then the history of America has been a history of arguing about what that meant. Arguing not only among the people who had power to make a difference, not only the Jeffersons and the Madisons, but on the part of people living in the country, whose behavior, whose political organizing made a difference. The arguments were about what color men were created equal. Certainly, part of the decision finally to end slavery came from what we would think of as at the top, but some of it came from the way in which freed slaves organized, the way in which abolitionists organized, the pressure that was put on the government to bring about a change in the interpretation of the meaning of "all men are created equal."

The question of "all men are created equal" is a question about whether men includes women. I don't think without a suffrage and a feminist movement we would have had the amendment that finally gave women the vote. I have found that when you teach students that people were in a position to organize and demand some attention to their interest and their own needs, were able to take these wonderfully principled statements and argue that they ought to have a different meaning than they have now, that those were the kinds of kids who then thought in terms of a future for themselves in a democracy, who thought about voting as something that was worth doing, rather than giving up on the vote.

There is no reason that cities should not have everybody registered to vote. That should make an enormous difference to whether Congress passes aid to cities in larger or smaller quantities. My sense is that the kind of history in which people are able to see ordinary people asking politically to get something for themselves and to make an argument even if they don't always win would make an enormous difference. We might have fewer dropouts if there were a kind of curriculum that appeals to that kind of interest and that kind of mood.

MS. FUTRELL. I would just like to comment that I think the concept of tolerance is very narrow, and what we need to do is to focus also on understanding and respect because, as an individual, I don't want you to tolerate me. I want you to respect me, I want you to try to understand me, I want us to try to live together. When we look at the whole issue of tolerance as it relates to young people, again, they reflect what they see in society. Children are not born intolerant; they learn this at home. They learn it from the community and they bring it into the school. What we have to do is to try to teach them to understand one another, to respect one another, and out of that comes not simply toleration. I think that that is critical. I can tolerate somebody and not care a hoot about them, not like them. What we see a lot of times in schools is kids have gotten beyond that point and the frustration and the anger and the resentment, and they are so young. You try to figure out how did these kids to get this point so early. Trying to undo what we see is very, very difficult. Trying to get them to understand that you don't have to

fight all the time, you don't have to use the verbal abuse. Just because somebody is a different color or doesn't worship the way you do, doesn't mean that they are someone who is horrible. Trying to get them to understand that is very difficult. But we teach it by the way we treat each other, by the way we teach the people in our classroom. We teach it by the way we practice what we do in life. Our kids are basically emulating what they have seen us do.

CHAIRPERSON FLETCHER. Commissioner Berry?

COMMISSIONER BERRY. I have enjoyed this panel very much. I have long respected Mary Futrell and her work at the National Education Association and everything she has done, and always listen carefully to whatever she has to say. When I saw that Joan Scott—who has been dispensing wisdom from her perch at the institute for all these years—was on the panel, I wondered what she would say, but I knew that it would be illuminating. Roger, of course, I didn't expect much from. I thought he would be undisciplined, and, characteristically, he was.

The other two panelists I don't know, but I would say to Mr. Anderson, that you probably are already aware, and maybe the audience isn't, that there is a burgeoning industry of research on Native Americans, especially with historians. It is one of the fields in which a lot of work is going on right now. I am hoping that that work will turn its attention also to AfroIndians, because many of us in the African American community are, in fact, also Native Americans. I just recently met the leader of my own tribe, who is a woman. Her name is Mankiller. It doesn't mean she kills men. They were the watchers of the tribes. There is a lot going on in this area to correct the errors of the past.

Let me just say that I think that Joan Scott's topology was very useful, although she may want to modify the labelling of the last, the Madisonian pluralism.

MS. SCOTT. Democracy.

COMMISSIONER BERRY—democracy, in view of Roger's remarks, although that labelling serves a very useful purpose in some settings.

What I wanted to ask about is most of the public debate on this question is not about your second category—which I would say is the "Futrell position" on pluralism, although modified by her explanation that tolerance is not as benign a concept in her mind as it seems to be, and that she sees it as dealing with respect—it is not about that. Most of the public debate is not about Madisonian democracy either, although I think it is fair to say that most historians would probably say they do pretty much what you described in the fourth category because we understand that history is a process of revision, and we understand about conflict and consensus. That is part of the life blood of what we do.

Why is most of the public debate in these other two categories? Why is most of the public debate at what scholars would call "the fringes of the discussion," either the common culture on the one hand, or the ethnocentric/nationalistic perspective, on the other. The examples that are given in newspapers, magazines, or on television always are either somebody who thinks that African culture controlled every culture in the world, or somebody who claims that American and/or Western culture is the most important and controls everything in the world. Is it a question of power? Where is power in ideology in this debate? What are the stakes here? What is this debate about, and why has it become of such enormous concern that it relates to the tensions that exist in society, that we on this Commission would be discussing this debate? It is not purely an intellectual exercise. Where is the power? Why ideology, and why in these two areas alone? I would start with Professor Scott, since she laid out the topology, and then see if anyone else has any comments. That is my only question.

MS. SCOTT. I think that is a really good question because there is a difference between the media [debates] and the public debates on what are essentially "yes" or "no" [answers] to multiculturalism and the more complex vision that I tried to present. The reason I tried to present these four topologies was, in fact, to get us away from what are always polarized media debates about [multiculturalism], or scare tactics. Either on the one hand, we have "American history that is true" or "these kind of falsehoods have been introduced by minority groups who would . . . to subvert what really is the case." I think that is the wrong way to think about it, but it is unfortunately the way it is being thought about.

I think there are a lot of reasons for it. One is ideological. That there is binary division

between the good and the bad, the true and the false, the dominant and the minority, is a way of refusing what some of the serious questions of multiculturalism are all about. [This is done] by groups who want to preserve a unitary division of American history; who feel that patriotism rests, for example, on a view that we are all Americans and that being American means the same thing; who have a view of individualism, arguing that history is about individuals succeeding in American democracy, rather than wanting to argue about groups and conflict and inequality.

It is a matter of recognizing inequality or not recognizing it. It is a matter of being able to tolerate more than one perspective. It is hard to teach American history or any history from more than one perspective. The way that history has been taught, the way the history textbooks exist for the most part, the way ordinary people think about history, is in terms of a single story. It is really hard to complicate the story by saying that there was more than one point of view about what was going on. I think it is actually true that we live as if there is more than one point of view. But in teaching it or in arguing politically about it, in trying to run an election campaign, for example, in which a candidate presents himself as the epitome of the American values, it is much easier to have one story than it is to say that there are arguments about what these stories are.

In a way, the debate on multiculturalism is also a debate, I think, about race, more about race than about anything else in America. It is about whether or not minority groups, particularly African Americans, will be allowed to have a say and will be allowed to articulate what their perspective is on American history. After all, slavery is the stain on American democracy and American history. It is something that is very hard to explain away. It is something that complicates the story. To argue that, "with the end of slavery, all of the problems ended," is impossible, given the segregated schools, the economic conditions, the way cities are in the United States today. It seems to me that if you allow a different perspective and a different point of view to be introduced, not the Afrocentric one necessarily, not the one that says, "everything started in Africa," but one that says, "we have a different story," the quote from Asante is really important—"We didn't come over on the Mayflower. Our story was not a story of hope."

One of the historians that I quoted, Kenneth Jackson, who was one of the dissenters in the New York State Curriculum Report, said, "The experience of America has been a good thing for most Americans. America has always welcomed its immigrant groups (with the exception of slavery)." If you can put slavery in parentheses, you are putting the whole question of race, the racial structure of the United States, the segregated structure of the United States, in parentheses, and there is a big stake in arguing that it all is a parenthesis, rather than a major question that has to be confronted by our politicians, by our historians. The connection of history to politics is that history is the story that legitimizes political positions. If you can tell a story with slavery in parenthesis, then you are saying something very profound about your vision of American politics, of where America is going, what principles and positions it ought to hold.

PROFESSOR WILKINS. I would just add to that. I think that I agree with all of that. I would simply add that privilege always attempts to cloak itself in a thing that is "a construct of the natural order of things." Where we had "the divine right of Kings," it is the natural order of things. In this society, the story has been told in a way that makes the people who were originally privileged, and their descendants—who are still privileged—to retain that privilege as a part of the natural order of things. To go back and retell the story is to rip the cloak of privilege away and show it standing there naked, as a justification of power. Well, that is going to be a very heated and angry argument.

I would also say the excesses on the other side come from pain and rage and frustration at being treated so badly for so long. When you are in pain and when you have been battered, it is often very difficult to make terribly careful and rational arguments. I think that is where a lot of this excess comes from.

MR. ROYAL. May I comment on this, too?

I think the power questions are very important here, but I think it is also important to point out that there is a profound American myth involved in these questions as well. Americans are not, to take a rather pointed example, French

men and women who think of themselves as all belonging to this one glorious nationality whatever they believe, and they disagree quite seriously over a variety of things in their history. What unites Americans together is a myth. In the past, it was very definitely present in the Mayflower—it is a kind of "Garden of Eden" myth. It is a new world myth where people arrive and kind of start history all over again, and it runs very deeply. It takes on various incarnations that we aren't connected to this old past, we are something new, we have sort of a compact. The way we are held together is not by our common nationality or ethnicity, but this compact. I see that in the issues that I have looked at most carefully recently.

I think we ought to recognize that there is a profound fear before our minds when we say that we cannot extend—or we are unwilling to extend—the principles that we think are highly good principles to all of us. If we can't agree about how it is that we all fit together and have our different perspectives on our different histories, if that can't be fit together somehow, then the country doesn't fit together. It is kind of a recasting of ourselves from having a mythic past, to having a historical past, as Professor Scott, whom I think is quite right, pointed out. Most Americans are not comfortable with that. Luigi Barzini, the Italian writer, once pointed out that Americans are not even content with perfection. We want a more perfect union. Perfection in itself is not enough for us. We want to have a more perfect union than what Europeans have.

The power is important. I concede that. But I think we have to recognize too, that we are—as I said quoting Chesterton earlier—"we are a Nation with a soul of a church." If we can't find some way to agree on those very few principles that we think underlie our democracy and that extend to all of us of whatever ethnic and racial background, then it is a threatening thing to us.

MS. FUTRELL. I would like to comment by saying that I have been studying this issue very closely for about a year and a half—almost 2 years now—and reflecting on Dr. Berry's question about the way the issue is presented, I, too, have been puzzled as to why the issue has always been presented from two extremes. It is almost "you are with us or you are against us." Either you are for the way things are, and if you are not for the ways things are, then you are against everything else. I have been rather astounded and sometimes very angry at the way the debate has been cast, and I think the issue of power is very definitely part of it.

Maybe I am looking at the fact that we are going to have to share, because as more and more of these "people" speak up and demand their part, we are not going to be able to deny them their role, their share. I recall a conversation I had with a gentleman and he said, "All you people want to do is talk about the negatives." No, I don't want to talk about the negatives; I want to talk about the positives. The positive to me as we talk about *e pluribus unum*, I want to know where I am in the *unum*. Where am I? I am a woman, I am a southerner, I am a black, I am a footstomping Baptist. Where do I fit?

CHAIRPERSON FLETCHER. You are in trouble.

MS. FUTRELL. That is right. I am in trouble. Where do I fit in all of this? That is not a rhetorical question. As I said to someone, as we look at the past, if I want to deal with the negatives, all I have to do is go to the library and pick up a book. I can read it; it is there. I want to look at the future. How do I take what has happened in the past with all of its imperfections and make what we say a reality? I really want to believe, and I really want to say to my kids, and I want to say to my grandchildren—because I know I am going to have some—that when we talk about inalienable rights, things being self-evident, that they are included. It is just not for the white kid or the rich kid. It is for all of us. I don't think that we can continue to use those kinds of phrases unless we put some meaning to them.

I don't think we can let the media shape the debate. I don't think we can let certain groups simply shape the debate. I think we, as a people, have to help define this debate because this debate is going to define America when we get to the year 2000. I think we are talking about values. I think we are talking about beliefs. I think we are talking about power. All these things we are talking about. When are we going to stop trying to disguise it so that it comes across in all these terms that make it sound like this is what we are really all about? When are we going to

say, "This is what we are really all about and this is what you are also going to be able to share"? To me that is what the whole debate about multicultural education and multiculturalism is about.

One last footnote; it is more than history. It is everything we teach in our schools and everything we do in our society. History is a critical part of it, but I hope that we don't just say, "Let's look at this piece right here."

MR. ANDERSON. Just a followup on that. I think Professor Wilkins mentioned at the end of his closing about the consequences of a lack of understanding. Around the American Indian reservations and tribal communities, we have what are called "border towns," where you have non-Indian cities around the territorial boundaries of the tribal governments and that lack of understanding leads to conflict many times. I think as we begin this new era, the next 500 years following Columbus' arrival, that we have an obligation both from minority communities and also from the Indian communities as well to begin a new era of exploration, so we go beyond conflict to tolerance, and ultimately to respect. That is the challenge that our own communities face as well. We have got to begin to share this information. American Indian communities have been fairly closed in a lot of respects in terms of what they have shared with other cultures, and I think we have got to begin to share that information more with other surrounding communities.

CHAIRPERSON FLETCHER. Thank you. Commissioner Redenbaugh?

COMMISSIONER REDENBAUGH. Yes, before I yield my time, I would like to make a comment. I am struck with a number of things as I reflect on the discussion this morning. One of them is that there are a large number of us in this country who, I suppose, once we get past a certain age, which I have passed, find ourselves thinking about the time in which we live as uniquely and deeply troubled, and without solutions or possibilities or expanding the future. We sometimes find ourselves longing for the quieter, simpler, more tranquil golden age that never was. I have taken encouragement this morning by being reminded by some of the panelists that our history has been a history of struggle, and a struggle for power, that there was never a golden and placid age.

I was thinking then of the constitutive rules of the country. The fact that we have a non-monarchy, that we have the rule of law and due processes for changing who has the power, means that we are going to be permanently in a struggle with groups seeking to wrest power from those who least want to relinquish it. The point of the game is to accumulate power, and one of the consequences then, given the way we have organized the Constitution, is going to be that we are always in a struggle. I suspect we will not find the time in our history when there wasn't some struggle over that. I am refreshed in the way that this time is in fact with precedent, rather than without precedent. It may be our children who think back about the quieter, simpler days of the early nineties.

But it is constituent in an organizational game we live in that there is going to be this power struggle. I think as we move away from describing our history as saying, "Well, no, it was this way, or it was that way" and move toward the notion that there were lots of different histories because there are lots of different interpreters, lots of different observers, watching here, we can find our way into a different and happier future. I already talked longer than I expected. I want to thank the panel. For me this was a very provocative and simulating morning. I yield the rest of my time, Mr. Chairman.

CHAIRPERSON FLETCHER. Commissioner Wang?

VICE CHAIRPERSON WANG. Thank you, Mr. Chairman. In the interest of time I also will just add a very short question. I listened to Commissioner Berry's questions—she always says everything I want to say. I enjoyed the conversation immensely. Ms. Futrell, if we put the whole debate in the context of bilingual education and that experience, where does inclusion of curriculum lead us?

MS. FUTRELL. Well, when we reflect on the issue of bilingual education, I think that it is critical not only from the perspective of trying to address the needs of children who do not speak English as their first language, but I look at bilingual education as also meaning that we ought to be saying to all students that they should speak another language. We are one of the few

nations not requiring students to speak a second language.

I think that we spend an enormous amount of money in the elementary grades teaching children to forget the languages they bring to school, then we spend an enormous amount of money in junior high, the senior high years trying to teach them another language. What we ought to do is build on the languages and the cultural diversity that they bring to the school. That is one piece of it.

When we talk about bilingualism in this country, I am very concerned about those who say to us that we should be a monolingual nation. I am talking now about the "English only" movement because that also impacts the schools. I believe all children should know how to speak standard English. Every child should be able to speak, write, and read standard English, but I think to say to a society which is as prolific as ours that we cannot function using other languages is wrong. Again we talk about power. What about those communities where we have high concentrations of Hispanics or Asians or other people who do not necessarily speak English? Would we say that they will be denied their political rights or their employment rights? All of that relates to the whole concept of bilingualism as it relates to the school, but also as it relates to the whole society. I see it as a positive. I don't see it as a negative. I see it as something we should try to enhance so that as we join the global society, we will be able to participate fully in that society. That is basically the way I would see it, as a very definite component of multiculturalism.

VICE CHAIRPERSON WANG. Thank you.

CHAIRPERSON FLETCHER. I have just one question I want to put and it kind of tacks onto what you were saying, Dr. Futrell. I was at the U.N. in 1971, barely able to speak English, and every time I went to a reception, supposedly to gather intelligence that I would share with the members of the delegation the next morning before going on the floor of the General Assembly, I would have to recite the story of every time they did not want the American delegate to understand what was going on at these different receptions, they look up and see me and change the language. They would either start speaking German or French or Spanish, and I would have to come back and tell those delegates, "I don't really know what the delegates were working on. I don't know what they were saying." I came away convinced beyond any shadow of a doubt that one of the requirements for being a member of future delegations to the United Nations is that you should at least be able to speak French or German or Spanish or something so that you can behave intelligently and listen to what was going on.

Having said that, let me put the one question that concerns me. I am going to assume you are familiar with the term "collaborative decisionmaking," that's going on in the educational arena right now, and multiculturalism. Based on the diversity of this country, from a racial point of view, an economic point of view, as well as educational, are the people who are supposed to participate in this collaborative decisionmaking, and who are going to get hurt the worst if they can't participate, are they ready for it, from your point of view?

MS. FUTRELL. Let me start with schools. One of the things that we discussed when I was president of NEA—I decided that one of the areas of change I would like to see in the schools was to implement more collaborative decisionmaking in the schools. To our chagrin, we discovered that many of our colleagues were not ready for it, not ready because of the hierarchical structure of the schools and the fact that teachers are basically told what to do and by large numbers of people. When all of a sudden they were brought together so that they could collaborate to help make the decisions, they were waiting to be told. But that didn't last very long, because with the proper training and opportunities, they did learn very quickly how to become involved in the collaborative decisionmaking process. I use teachers as an example because we readily assume that they do know how to participate in the process. That is not always true.

When we look at the larger society, I would say that we will have to work with people and help people to understand how they can become involved, and that they should become involved in that decisionmaking process.

The system is very structured, very rigid. Again if you don't understand the system, if you don't have the time to learn the process, and if you are not comfortable with it, you will not engage in the decisionmaking that goes on. A lot of

people feel that they can't influence the decisions. I submit that you can, but it is influenced by what you are willing to commit to it, what you are willing to do.

When we look, for example, at parents being involved in the collaborative decisionmaking process, one of the things that happens sometimes is meetings are held so parents can't attend. If you hold a meeting in the middle of the day and most parents are working, they can't participate. Or if you hold a meeting late at night, and that is when you make the important decisions, a lot of times folks will leave because they have to go to work the next day. Part of participating in the process is access, part of it is understanding how the process works, part of it is having a mechanism so that your input is valued. Again that can occur, but we have to put pressure on people to do that. Part of putting pressure on is showing up at every meeting, being well informed, taking the time to know what is going on, being willing to get up and speak out, and monitoring what is going on. That is part of being involved in the collaborative decisionmaking process.

That, I think, is growing across the United States. It is beginning to become more prevalent, much more so than it has been in the past, on the part of parents and on the part of teachers. Now, I don't want to leave you with the impression that tomorrow we will totally restructure everything and everybody is going to be involved, because that is not going to happen right away. It is only going to happen if we persist in our efforts to say that education is something of such value that all of us should be involved in it. It is going to take time; it is occurring, but it is not as widespread as I would like to see it.

MS. SCOTT. I just wanted to add one piece of this, which I think connects this question about collaborative education to a more general question of understanding and respect for diversity among children, as well as among people who are doing the specific collaborating. It seems to me one of the crucial things in the whole question of collaborating and dealing with each other is to depersonalize these issues of conflict. Conflicts are often presented and the notion of understanding is presented as something that, "If I can somehow just be good, and good enough to understand you, then all of the tensions and difficulties will disappear." I don't think conflict is a personal problem. I think it is a historical problem. I don't think it is an individual problem. I think it is a structural problem. One of the things that people involved in collaborative processes, whether they are children in schools or teachers and schools, administrators deciding on multicultural curricula, have to understand, I think, is that conflict is built into and these differences are built into the structural organization of the system. We are arguing with each other, but we are not arguing with each other as hateful individuals. We are arguing with each other because we are in different locations in the society, with different experiences and different interests that make it difficult for us to get along. I think children need to learn that, as well as adults, because it will then explain what these racial and ethnic tensions that are felt as individual feelings are about, that they are in fact, are not individual feelings and can't be dealt with on the individual level.

CHAIRPERSON FLETCHER. One more. A great claim is being made that education is the remedy. All we have to do is get them educated. As we go across the country holding our hearings, the objective of these hearings is a statutory report that will give direction to the Congress, to the Government, to the several States, to the White House, etc. In terms of being able to subpoena both individuals and records, if you were to make some recommendations, what are the five, six, or seven areas that you would want us to look at to make sure we get those records, get those individuals before us testifying, Dr. Futrell?

MS. FUTRELL. You mean as it relates to what to do to improve education?

CHAIRPERSON FLETCHER. That is right.

MS. FUTRELL. I would say that you would want to talk to not only school personnel, but also to students, from a wide area, not just from suburban America. I would look at rural America. I would look at the inner cities. I would look at kids, especially at the elementary and at the secondary level. I would look at what is taught in the schools. I would look at some of the studies dealing with where kids are and what they are studying in school. I would look at information dealing with the teaching profession, not just who makes up the profession, but how are

teachers trained, how they train to go into the schools to teach the children who are in those schools.

I would also look at information dealing with many young people who are not in school, children who have been pushed out or whatever. I would look at that, and why are they out of school. Another area I would look at is employment. One of the things that I hear a great deal, Dr. Fletcher, is "Why should I stay in school when I can't get a job? When I am not going to be able to improve my status in life? Tell me why I should I stay in school." This is what you hear from kids. I think we need to look at the relationship between education and jobs. What does it mean for them, and are the opportunities really there?

I would definitely look at funding. And how do we guarantee that all children at least have access to basically the same quality of education.

The last piece I think I would look at, if I were you, is this whole movement to move toward a national curriculum, national testing, national goals, and national standards. What will all those things mean as they relate to this very diverse educational system we have as they relate to the very diverse student population we have? I realize I haven't given you those in any kind of order, but right off the top of my head; they are all directly related to whether or not we are going to have a transformed educational system in this country, whether or not we are going to make sure that the overwhelming majority of the children in this country do, indeed, not only have access to, but actually receive, a quality education. I think there is a big difference between access and actually receiving a quality education.

PROFESSOR WILKINS. Could I just make a small addition to that? I think you also want to get census data and BLS data that give you some correlation between the employment status of parents and the income level of parents, and the educational attainment of children. My hypothesis would be that the higher the income level, the steadier the jobs, the greater the pride, the greater the discipline, the better the performance in school. So I think those data would be useful to you.

CHAIRPERSON FLETCHER. Roger, when I was a youngster I used to enjoy watching you—I have alleged that almost from the day we got the 1964 Civil Rights Act passed, plus other civil rights legislation, that the backlash started almost instantly, and that it has intensified over the past couple of decades because in certain areas it seems to be working. Is there any validity in that assumption? When I talk about working, I mean to a limited degree, housing legislation is working, the Voting Rights Act is working, employment opportunity is working to a limited degree, and the more it appears to be working, the more intensified the backlash.

PROFESSOR WILKINS. I think that is right, I think you date it to the right time, the 1964 act and the 1965 act, but also we can't forget that right after the 1964 act was passed, riots broke out, the summer of 1964. After the Voting Rights Act was signed into law, Watts occurred. Those things happened in people's psyches and they understood them. I think that there is a direct connection between the 1964 act, the 1965 act, the Watts riot and Proposition 13 in California, which is clearly a backlash manifestation. I see in my students, youngsters who are 17 to 22 years old, not my adult students, a lack of understanding of what all of these efforts were about in the 1960s. A very powerful resentment of the fact that these remedies exist—particularly, of course, affirmative action—and a very distorted view of what affirmative action has accomplished in the society and how it affects their prospects, particularly if they are white males. The difference between what they have been told in their communities and in their homes and what actually exists in the world is like night and day. That is clearly part of the backlash that you are talking about. So yes, I think you are exactly right.

CHAIRPERSON FLETCHER. All right. Thank you very much. All right, Staff Director?

MR. GONZALEZ. Yes. Mr. Wilkins, you indicated earlier that you were part of the team that went to Los Angeles back in the 1960s, and you just came back from Los Angeles. Could you indicate for us what you saw as some of the differences between both and some of the similarities?

PROFESSOR WILKINS. I think the great difference is that we, as a nation, were very hopeful in the mid-1960s. We had an economy that was growing. We had an industrial base that was strong and secure, we thought. We thought that

we could buy justice out of growth. When the Great Society was enacted, it was enacted in that hopeful economic context. We did not believe that the Great Society programs alone would move people out of poverty. We believed that the Great Society programs could move people into places where they could benefit from this strong economy and that they would be moved up.

Today our industrial base is not nearly as strong. South central Los Angeles has far fewer jobs than it had before. Although in 1965 there was a drug problem—there was heroin—it was not the problem that you see now. You have young people tell you that participation in the drug trade is the only economic opportunity available to them. That was not the case back in the 1960s.

There is another giant difference, and that is our unwillingness in this society to come face-to-face with our addiction to guns. There are guns in South Central and in Watts that just didn't exist before. When I was a child in Harlem, I went to some schools that were pretty tough, and I had anxieties that somebody might hit me in the head to take a quarter. Somebody even maybe might pull out a switchblade. These children go to school with the expectation that a number of their classmates will have guns in their pockets. It is a vast difference. They believe—I never believed that I was going to die before I was 20—many of these youngsters do. That is a difference of such a magnitude that it defies my capacity to describe. I think, generally, the country is far less hopeful today than it was then that we could solve these problems.

CHAIRPERSON FLETCHER. Well, speaking for the Commission as a whole, I want to thank each and every one of you for taking time from your busy schedules to share your views and thoughts with us. Let me remind you that the record doesn't close on this hearing for 30 days. I have a sneaking suspicion that some of you might want to add to your testimony by written documents, or you might run into some articles, etc., that you think we ought include in the record. If you would be so kind as to do so, we would very much appreciate it.

Our goal is to conduct a series of hearings that could result not only in steps toward reports, but reports that could change the rules, the regulations, and the guidelines short of new legislation, if that is necessary. Our goal is to in some way help the Nation find its way out of this mess into a more stable and secure environment. We feel, this Commission, that we are playing a very significant role in the Nation's history at this particular hour, and your help is very much appreciated.

If you have prepared statements that you would like to leave with us now, we would appreciate it. But please feel free to include anything else you think we may need in order to accomplish the objective we have in mind. Thank you very much.

[Recess.]

Socioeconomic Factors, Part 1

MS. BOOKER. The next panel is Larry Lindsey, a Governor of the Federal Reserve Board, Charles Murray, and Paul Peterson. We would like Governor Lindsey to begin. We have asked each panelist to limit his remarks to 10 minutes after which we will have questions from the Commissioners. Governor Lindsey?

CHAIRPERSON FLETCHER. Before you begin, Governor Lindsey and other members of the panel, I want to state that I am looking forward to this panel and to your presentations with considerable interest. I have alleged several times that we would not really begin to see the light at the end of the tunnel with reference to this problem we are dealing with until the financial service industry suits up and gets into the ball game. I have relied rather heavily on the day when the Community Reinvestment Act, and the promise that is built therein, begins to materialize. I want you to know that I am very much interested in your testimony and to the extent to which you care to help us understand the mission and role and the reasonable hope that the Community Reinvestment Act can be something of a remedy in this area. Please proceed.

Statement of Larry Lindsey, Governor, Board of Governors of the Federal Reserve

MR. LINDSEY. Thank you very much, Mr. Chairman. I am pleased to be able to be here today to discuss some of the economic aspects of poverty and inequality in America. I would like to note at the outset that I am here as an

individual and that my views do not necessarily reflect those of my colleagues on the Board of Governors in the Federal Reserve System. In particular, I would like to address a widespread misconception about macroeconomic policy and economic opportunity. It is believed by many commentators that an aggressive and inflationary monetary and fiscal policy environment is helpful for promoting economic opportunity. The reason for this belief is twofold: first, money creation and the consequent inflation provide funds for the state while eroding the real value of privately held financial wealth. As financial wealth is relatively concentrated, this represents a highly progressive and redistributive form of taxation. Second, other things equal, inflation transfers real assets from creditors to debtors, affecting a private redistribution in addition to the one carried out directly by the state.

The data I wish to present today suggests that, whatever the merits of this reasoning in theory, it has not worked out that way in practice. Rather than massive quantities of fiscal or monetary stimulus, I believe that carefully targeted incentive-oriented policies are crucial to advancing economic opportunity for all Americans. While for data reasons the emphasis of my comments will be on evaluating the economic standing of African Americans, I believe that my conclusions are probably applicable to other relatively disadvantaged ethnic and racial groups, as well as to all individual Americans seeking economic opportunity.

The U.S. economy is now in the early stages of the third business cycle we have experienced in the last two decades. The first two of these business cycles were marked by very different sets of monetary and fiscal policies and very different inflation scenarios. As such, a comparison of the two can provide useful evidence for evaluating the proposition that inflationary policies are useful in promoting economic opportunity.

The first cycle ran from the 1973 peak to the 1981 peak. The second from the 1981 peak to 1990. I believe it is important to use peak-to-peak analysis in order to control for the effects of the business cycle in determining levels of household income. While it is true that the precise timing of business cycles is on a quarter-to-quarter, even month-to-month basis, the detailed data on household income and poverty rates are collected on an annual basis. Hence, I chose years 1973, 1981, and 1990 for analytical purposes. The 1973 to 1981 business cycle was marked by an aggressive fiscal and monetary policy posture, which led to an increase in the year-over-year inflation rate from 6.2 percent to 10.3 percent. Not only was inflation accelerating over this period, it also maintained a relatively high average rate of more than 10 percent. By contrast, the 1981 to 1990 cycle saw a deceleration in inflation from 10.3 percent to 5.4 percent with an average over the whole cycle of less than 5 percent.

Certainly these two periods should provide a test of the hypothesis that inflationary policies are good for opportunity in income distribution. The data suggests that this is probably not the case. Mr. Chairman and members of the Commission, you have before you a copy of my testimony and you will see the tables to which I refer in the back of that testimony. Table 1 shows the distribution of incomes of African American families in 1973, 1981, and 1990. The income levels have been adjusted for inflation over this period and reflect 1990 price levels.

During the 1973 to 1981 period, little progress was made on average by black American families. The real median income of all black families fell nearly 11 percent, far more than the 8.8 percent decline for white families. More troubling from my point of view was a sharp rise in the number of families with real incomes under $10,000, although, I would point out, the deterioration in black family income was indicated among all income groups. By contrast, the lower inflation 1981 to 1990 period saw a rise in median black family income of 12.3 percent, compared to a 9.2 percent rise in white median family income. Most striking in this period was the sharp rise in the proportion of black families with incomes over $50,000. I think these data illustrate that significant gains were made by many African Americans over the past decade as a significant black middle class emerged. Although this period was generally positive, I do find it troubling that more gains were not made by the lowest income group. Although this group expanded greatly during the inflationary period of the 1970s, it failed to contract significantly during the 1980s.

One important adjustment to looking at income data is the role of family size. I refer you to table 2, which presents the income of African American families in various income quintiles relative to the poverty threshold of a family of that size. In the top three quintiles, the data indicate a relatively stable income-to-poverty threshold pattern during the 1973 to 1981 period, followed by a significant increase during the 1981 to 1990 period. It should also be noted that the black families in these income ranges made significantly greater income gains than white families in the same income levels. However, the fourth quintile of black families showed relatively little change in income position while the bottom quintile showed a continuing decline in its income level. It should be noted that these income data exclude in-kind transfer payments, which rose in real terms over the period. But the troubling fact remains that cash income for those black families who were least well-off continued to deteriorate. A clear dichotomy exists between the quite favorable performance of the top three-fifths of black families and the much less favorable performance of other black families.

The third chart shows the impact on the distribution of income among black Americans. Between 1973 and 1990, the top quintile of black families saw its share of total black family income rise by 3.3 percentage points, while the bottom two quintiles saw their share decline by 3.8 percentage points. Black family income today is less equally distributed than it was in 1973, and is less equally distributed than is white family income. I believe that all three charts document both the success stories of the last decade and the challenges ahead of us in the 1990s. Most important, they show that inflationary policies do not correspond to enhanced economic opportunity. In fact, lower inflation helps to advance one of the most important measures of economic opportunity in America, home ownership.

The fact is lower inflation and interest rates greatly increase housing affordability in America. The National Association of Realtors put out a housing affordability index. Today, by any measure, housing is more affordable to the typical family than at any time since 1976. If one uses a slightly more complicated statistic that adjusts for housing quality, the favorable affordability comparison dates back to 1973. These indexes, I should point out, were at their bottom; housing was least affordable in the 1980 to 1981 period. That was particularly good news for those families seeking to get their feet firmly planted on the ladder of economic opportunity and those entering the middle class. In this regard, the lower inflation of the 1980s and correspondingly lower level of interest rates was probably of tremendous assistance to those top two or three quintiles of African American families who experienced such a favorable income performance.

Let me be clear on why lower inflation assists home ownership. Higher inflation and interest rates impose a form of forced savings on home buyers. They must pay an inflation premium in their mortgage payments, which is offset by a rise in the nominal value of their home. Lower inflation lowers this forced savings component. A lower cash flow is therefore needed to finance an identical house as a result. While the change may not lower the long-term benefits of home ownership, it does allow more people to afford their own home. Our challenge today is to reach those who were not able to advance in the past. This Commission will be considering how to meet this challenge in the future. I believe we need incentive-oriented programs, lower effective rates of taxation, lower hurdles to owning one's own business, and greater opportunities for home ownership. Each of these is targeted on individual initiative and attainment, which I believe is the key to success. What would be inappropriate, in my view, is a return to the inflationary policies of the 1970s. I believe that such a return would not only be ineffective, it might actually create new barriers to economic progress for those who need it the most. Thank you, Mr. Chairman.

CHAIRPERSON FLETCHER. Thank you. Thank you very much. Mr. Murray, please.

Statement of Charles Murray, Bradley Fellow, American Enterprise Institute

MR. MURRAY. Thank you. You are about to see the Rashomon effect of different people interpreting their mandate in different ways because my remarks will bear absolutely no relationship whatsoever to Governor Lindsey's.

When I read the letter that was sent to us that said the purpose of the hearing is to identify the factors that have contributed to increased racial and ethnic tensions, and then I considered the subject of our panel, mainly social and economic factors, the thought that occurred to me is that, as a person who is generally extremely pessimistic about the future of race relations in this country, you have given me an opening for one of the very few rays of optimism that I can find. Namely, I asked myself to what degree are the problems that exist between the races, and the sources of antagonism between the races, ones which are located not in the color of skin but rather in class behaviors or socioeconomic differences? There is, I think, a strong argument to be made that a great deal of those differences and those tensions are so located. If one asks oneself what the reaction of a white community of physicians and attorneys and other affluent people would be to an obstetrician of the Bill Cosby type moving into that neighborhood, I think the fair answer is that the reaction probably would be quite benign. It might not be benign if you were in an urban neighborhood in which there were problems of the entire neighborhood changing, but if the question is "As of 1992, are there lots of affluent whites who object to an affluent black moving into the same neighborhood?" I think the answer is no. I think that is a major change from the 1950s.

By the same token, if you take a working-class white neighborhood and announce that the government is about to build a public housing project which will have welfare mothers moving into it, it is not at all clear to me that the anger among the white working-class families will be much less if it turns out that it is white welfare mothers who are moving in than if it is black welfare mothers that are moving in. When I say that there is a good argument to be made, however, as I thought about these kinds of examples, it occurred to me that I had remarkably little data on which to base these optimistic scenarios except my sense of the way whites talk among one another.

As I thought about why it is that I have so little data, very few fragmentary things, public opinion surveys and the rest, which I don't put much stock in when they deal with race relations, I was reminded of an episode which occurred about 10 years ago, which I think is illustrative of a major problem that faces the dialogue between whites and blacks, and one which we have to face. Basically, what I am about to argue is that the reason we have so little information which might point us in this direction of saying that what we are looking at is not racial antagonism but socioeconomic and class differences is that it is dangerous to find socioeconomic and behavioral reasons for apparently racist behaviors.

The example that I had in mind occurred in the early 1980s before I wrote *Losing Ground: American Social Policy,* when I was serving on a panel which was trying to look at disproportionality in death sentencing. The Supreme Court decisions at that time had given rise to the question, "To what extent are blacks being sentenced to death disproportionately to whites who have committed similar crimes?"

There was at that time a very famous database which is still to this day cited—members of the panel are familiar with it—from Georgia, in which a large number of Georgia murder cases had been reviewed, and an attorney named David Baldus had presented statistical evidence that blacks were being highly disproportionately sentenced to death in the Georgia data. On the panel that I served was a distinguished statistician from the Massachusetts Institute of Technology, and still there, named Arnold Barnett, a 10-year professor there, who took on these same data, collaboratively with Mr. Baldus. It was not competitive in any way. He came back some months later with what I consider to be social science at its best. It was an elegant, carefully reasoned, also understandable analysis of the data, applying to it a very sophisticated but at the same time a very reasonable approach. The results that came out of that, which I found convincing, were that when you examined the other factors that were involved in the death sentences, it turns out, first, that Georgia juries, which are mostly white, were, in fact, behaving in very understandable ways, even though a surface look at the case would seem to indicate that the charges were the same kind of charge and the person had the same kind of prior record and so forth and so on. He introduced the other factors which accounted for this. Basically, they were giving the death sentences in cases where a

reasonable person would say, "Well, this is sort of what the death sentence is for." When it came to the issue of whether blacks were being disproportionately sentenced, the answer was, the data are ambiguous; it is possible that there is no disproportionate sentencing of blacks. If there is, and there was some equivocal data that there might be some, it was far less than had previously been thought.

Here you have a careful, fact-based analysis by a scholar in the field, which has good news. The good news is that Georgia juries were trying very hard, and were generally successful, in rendering justice in their deliberations and that race didn't have nearly as much to do with it as we had thought. The author of that monograph has never to my knowledge published an article saying so. In subsequent years as I have read editorial piece after editorial piece saying, "Well, we know blacks were sentenced to death more often than whites for the same crimes because of the Georgia data," I, who write lots of editorials and have done lots of publications, have never once publicly alluded to the study. The reason is very simple, I don't want the grief. I don't want people saying, "Well, now Murray is trying to say it is okay to sentence blacks to death." I don't want the kind of reaction which comes down whenever you say, "The reason why whites are behaving in such and such a way with regard to blacks in this instance is not explained by race, but is explained by the difference of behavior." To put it more generally, there is a strong bias against presenting evidence in this country that things are getting better with regard to whites treating blacks and the system treating blacks. This is sick. This is not the way it should be. We should not be in the business of suppressing such evidence.

Let me conclude with an even more personal basis for us to think about this. Because with this opportunity today, it is virtually a unique opportunity for me to try to get on the table what I think is the source of the greatest danger in race relations in this country, which is that whites are not saying publicly what they say to each other privately, just as I am certain blacks are not saying publicly what they say to each other privately. Let me give you an example which relates to the larger instance I just gave. I suspect if you ask every white in this room to ask themselves, "Have I in my life been guilty of holding back a black student or a black employee over whom I had authority because that person was black?" I suspect that just about every white person in this room looking deep within his heart of hearts and giving a private answer, will say "no." The next question is, "Has there ever been a time you promoted a white person ahead of a black person or is has there ever been a time you have given a black student worse grades than to a white student?" The answer will be "yes," but there will be, upon mature consideration, and again not to try to persuade anybody else, but in the heart of hearts, the statement that the reason for why I did that was not because the person is black. It is my impression that the types of white people that we find in this room, and I think throughout the large part of the population of this country, do not consider themselves to be racist.

If, however, you ask white people to say that publicly in this kind of forum, to say, "I am not a racist," it is very tough to get them to and they resist that. One of the reasons they resist is because they know what that opens up, which is "Well, yes, you don't think you are racist, but what you don't understand is all the subtle signals you give off everyday; what you don't understand are the ways in which you are bigoted even though you don't know it." Whites don't want to get in that kind of fight either, but that doesn't mean that they say to themselves that they changed their mind. They don't want to get in that fight, but they truly believe they are not racist. I also know from personal experience that black people who feel they have been discriminated against just as emphatically believe that they have been, but until the dialogue opens up—and I think white people have more opening up to do than black people—I don't think that we are going to see any improvement in what is, right now, a deepening spiral of antagonism. Until we are ready to welcome open scrutiny, in short, of social and economic and behavioral reasons for situations that we hitherto have preferred to call racist, I think the sources of these antagonisms will continue to deepen, and this is both a personal tragedy for whites and blacks and a national tragedy as well. Thank you very much.

CHAIRPERSON FLETCHER. You are welcome. Professor?

Statement of Paul Peterson, Professor of Government, Harvard University

MR. PETERSON. Thank you. I am Paul Peterson. I teach at Harvard University.

In the spring of 1968, I lived on the south side of Chicago in close proximity to the civil violence that rocked that city and many other cities immediately following the assassination of Martin Luther King, Jr. At the time, civil violence was a double-edged sword. On the one hand, it expressed the outrage of an African American population that had been brought to this country in chains and subjected to oppression and segregation more or less than 100 years after slavery had been officially repudiated. On the other hand, the civil violence of the 1960s was embedded in the message of hope articulated by Martin Luther King, Jr., the civil rights movement, and the formation of new institutions such as this Commission.

Twenty-four years have passed since those remarkable events. Some things have changed for the better, mainly in politics. African Americans now have access to the voting booth that they didn't have at that time. The numbers of African Americans elected to public office has greatly increased. Yet, the fundamental economic and social conditions of many African Americans have not improved. For the less well-educated, economic opportunities have worsened. Since the mid-1970s, the average hourly earnings for men without a high school education have fallen by about a third. As wages have fallen, joblessness has increased. The percentage of nonwhite Americans without a high school education who are without a job has gone from 10 to over 20 percent.

Slowing gains in productivity, increased foreign competition, and increases in the domestic labor supply have all combined to restrict severely the economic opportunities of the less well-educated portion of our minority population. Unfortunately, only very rapid inflation-inducing economic growth could reverse these trends in the near future. Over the next decade we must accept the reality that a substantial portion of our population will not receive an hourly wage that will allow a family of four to secure an earned income that will raise it above the poverty line. This depressing economic reality constitutes a fundamental challenge to race relations for at least the remainder of this century.

Secondly, we are experiencing a dramatic decline in the quality of family life. The percentage of households with children under the age of 18 that are headed by a single mother has been rising rapidly over the past 30 years. Among African Americans, the percentage has increased from around 35 percent in 1970 to around 65 percent in the late 1980s.

As a consequence of these two trends—declining economic opportunities and deteriorating family life—the poverty rate among children has increased by 50 percent in the last 15 years. These worsening trends in American life can be reversed only by fundamentally redesigning our governmental programs. Short-term Band-aids and targeted programs aimed at specific groups of individuals or certain racial groups or certain communities will simply not work. This has been tried in the past, but the approach has failed.

The solutions I propose defy the fabled categories of left and right, of liberal and conservative, of Republican and Democratic. They also defy many special interests that have kept us from reaching for comprehensive solutions in the past. But the time has come when partisan divisions and special interests must be cast to one side so that the country can focus on solving its problems. It is time to put politics to the periphery, problem solving to the center, and focus on comprehensive approaches that meet the needs of all families, for only by meeting the needs of all families can we meet the needs of minority families.

To do this we must revamp three major institutions in American society: our medical services delivery system, our welfare system, and our educational system. First, we must break the connection between work and medical care by creating a national system of health insurance. Employers of the less educated cannot afford to provide adequate medical insurance for their workers. As a result, those holding low paying jobs often must choose between employment and the medical insurance they could receive if they were not working. We could hardly design a more effective antiwork health care system than

the one we now have. Now, the solution is not to insist that employers of low wage workers provide medical insurance. This will only further decrease the number of entry level jobs. Instead, we must provide comprehensive medical insurance for all Americans regardless of age, race, work status, or disability.

Secondly, we need to strengthen families by means of a system of family allowances that will be provided to all families with children under the age of 18. This family allowance can take the form either of a tax deduction, or if their taxable earnings are negligible, then the allowance should be given as a direct grant to families. Properly designed, these family allowances would not discourage work in the way that Aid to Families with Dependent Children currently does.

Many of you, I am sure, are aware of the Mercado family, who have been receiving welfare benefits from the State of Connecticut. This has been a subject in the news recently. Mrs. Mercado was told by welfare officials in Connecticut that Federal regulations required that her two daughters could not save money for college, but had to go out and spend it immediately on clothes and jewelry. Moreover, even though the daughters were quite willing to do this under duress, the daughters had been so thrifty in the past, the mother had to pay back to the welfare department the thousands of dollars that she owed because she was outside the rules. Unfortunately, this family tragedy is not an isolated case. Similar dilemmas face families on welfare every day. They must ask, "Should I look for a job even if it means giving up the welfare assistance I desperately need? Can I afford to work hard to save money and try to get ahead? Can my children?"

Now there are some who would solve this problem by eliminating all aid to poor people. Indeed, the 20 percent cut in the average welfare benefit over the past 15 years has moved the country steadily in this direction. This is not just a theoretical possibility. This is the way our welfare policy has been moving. But starving people into work is not only inhumane; it doesn't work. Despite the cuts in welfare benefits, welfare rolls are higher today than ever before. Instead of cutting welfare, we need a system of family allowances that supplements the family income of workers holding low paid jobs. At a time when less educated workers cannot earn enough to escape poverty, supplemental income is simply essential. This income should be given to all families; just as we give Social Security benefits to all retirees, so we should provide income allowances to all families. We need a comprehensive solution.

Finally, we need to help families control the education their children are receiving. Today the vast public bureaucracies of our central cities control the schooling of minority children. Parents have little to say in what school their child attends or what happens to their children once they go to school. We need to put families at the center of our educational system. This can be done only by giving all families tuition vouchers that will enable them to choose the school they want. They should be able to choose their own school, whether or not it is public or private, or whether it is religious or secular, whether it is Catholic or Protestant, whether it is Jewish or Muslim, whether it is Buddhist or Hindu.

This change would make families responsible for their children's education, and it would make schools responsive to the needs of families. It would take the gangs out of our central city schools. It would eliminate the peer group impact in our schools, and make adults responsible for their children's education, and children responsible to the adults in their family. It would make schools responsible for both the moral and the intellectual development of children.

My point is simple: our problems are comprehensive; our solutions need to be equally comprehensive. Political Band-aids aren't enough.

CHAIRPERSON FLETCHER. Thank you. Commissioner Redenbaugh?

COMMISSIONER REDENBAUGH. I would like to start with a series of questions. I would like to start with Governor Lindsey and ask him a question that is off the topic you presented today. But I want to return to the mainstream of your presentation after, which I found very germane.

We read each day about the collapse of industrial bases, the loss of jobs, and the very poor shape in which the U.S. economy finds itself. You and I separately each have written articles describing a different picture of the strength in the industrial base and the progress that we can

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achieve. Could you speak a little bit about that and put a little of that on the record? I am convinced that being so misinformed about the resources we have at hand produces a wrong mood for the country as we try to deal with the problems of designing our economic and racial future. What has been the experience?

MR. LINDSEY. Well, at present, manufacturing is as high, if not higher, a share of our national GNP than it has been at any time in the past. If we think back to the 1950s, and we think of steel mills and auto plants, we think of that as the halcyon age of industrialism. Well, in fact, manufacturing is a bigger share of our national output today than it was back then. We are manufacturing different things. Manufacturing is still our leading industry. Second, during the last 10 years, productivity in manufacturing has risen more than 40 percent. That is a pace that is more than twice the rise in European manufacturing productivity and is roughly equivalent to Japanese manufacturing productivity growth rates. In many, many industries, our manufacturers are the low cost producers in the world and can meet all comers.

COMMISSIONER REDENBAUGH. The decline in entry level or unskilled workers' real wages is certainly well-documented. What explanation do you give for that?

MR. LINDSEY. I am going to steal one, if I can, from Chairman Greenspan, who when you're at the Fed, is always a good source. He has pointed out, and I think it is true, that although GNP is bigger, output is bigger than it was in the past, it weighs less. The physical volume of what we put out has shrunk, largely because of technological changes.

If you think about how that translates into what people are compensated for in the labor market, it means that raw physical strength now has less value than it did in the past. If you went to, say, a steel mill 40 years ago, you would see some pretty beefy guys moving some pretty heavy things of steel around. Now, if you go to the same steel mill, you could see a young 98-pound woman pressing some keys on a computer, and the forklift will come and move the steel wherever the beefy guys used to. That, plus the overall lightening of our GNP again, means that raw physical strength has less compensation than it used to.

That is reflected statistically both in the rise, and during the 1980s, in women's wages relative to men's wages, and the increasing income differential, both for high school graduates over nongraduates and for college graduates over others. I think what we have seen is physical strength has less market value than it used to, and consequently, a decline in wages for people who primarily have nothing but physical strength to sell.

COMMISSIONER REDENBAUGH. It is a change in the factory, a shift in factory inputs.

MR. LINDSEY. It is a shift in the value of different attributes that individuals bring to the work force.

COMMISSIONER REDENBAUGH. Thank you, Governor Lindsey.

Mr. Murray, your optimism was based in part on the assumption that the Huxtables would be welcomed in most American affluent, all-white neighborhoods. That has not been our experience as a Commission. In fact, we have a number of studies that contradict that assumption. How much of your optimism is, in fact, based on that? I also don't want to diminish the notion that you brought, that I think it is particularly important, that part of what we are tracking is a class phenomenon. I think that you are correct in saying that the country has given too little attention to that. I am concerned because I don't share your opening assumption.

MR. MURRAY. What is the nature of the findings that you have studied, that you are referring to about the Huxtables?

COMMISSIONER REDENBAUGH. The nature of those findings are—based on statements under oath from real estate brokers and agents—that there is, in fact, a pattern of steering black families into integrated neighborhoods, and away from affluent white neighborhoods.

MR. MURRAY. That wouldn't surprise me at all, and I don't think it is inconsistent. In fact, this offers a good example of, I think, the way we need to disaggregate what the nature of the problem is. Suppose that I am living in a neighborhood—and I am one of the white affluent fellows—and I am living in a neighborhood which is in a large city, with a large black population, and a Dr. Huxtable wants to move into this neighborhood. What are going to be my reactions? Now let's not talk about my behavior, but

what do I think about it? It may very well be that in that case I would be concerned, and the reason I would be concerned is not necessarily racist.

The reason I would be concerned in that case is because it is empirically, historically true that where there is an integration of urban neighborhoods which are contiguous, a common pattern is that you reach a tipping point and the neighborhood changes and that fundamentally changes the way of life in the neighborhood, the property values, and everything else. What I want to emphasize is: you may say that people shouldn't feel that way, but don't quickly say that is a racist reaction. If, on the other hand, you say that you are in an area where you do not have contiguous black neighborhoods, you are not in an urban area, do I think that then you are going to have the lawyers and the physicians and the college professors trying to make sure that a black physician does not move into the neighborhood? No, I don't think you are. That is the nature of my optimism.

COMMISSIONER REDENBAUGH. Then the evidence you are giving is how you would react in this situation?

MR. MURRAY. Well, I am doing two things. One, I was trying to make the point that this sense that I have, which is anecdotal as I said in the presentation, has remarkably little in the way of empirical studies to elucidate the question, "To what extent are whites reacting out of racist reactions, and to what extent are they are reacting to real things?" That is the reason I gave the death penalty example. I am saying that the reason why there is so little investigation of that is that, in many ways, it is extremely unpopular to come up with a conclusion that you aren't looking at racism, you are looking at something else.

COMMISSIONER REDENBAUGH. Okay, thank you. Governor Lindsey, I want to ask you what are the kinds of economic policies and programs that you would advocate for dealing with the problems of poverty, unemployment in our depressed economic areas? Our Chairman said eloquently yesterday that it didn't look to him like you could solve an economic problem with a social program. One of the things we have been doing at the Commission is considering and assessing additional remedies to this intractable problem. You mentioned a little bit about incentive-based programs. Could you say a little more about those?

MR. LINDSEY. Well, I think that my colleague on the panel, Mr. Peterson, mentioned the use of family allowances. I would point out we have a program that has advanced quite a bit in the last 2 years in that regard, and that is the earned income tax credit, which was expanded greatly as a result of 1990 legislation. There we have an example of a pro-work-oriented proposal that is, indeed, targeted at individuals who have families, who have children, who may not earn enough by working to earn a significant living. I think that is a very good example of the kind of program that is beneficial.

MR. GONZALEZ. Is it a refundable credit?

MR. LINDSEY. It is a refundable credit. We also, in 1986, doubled the personal exemption and it is now indexed, so after years of seeing it decline, which is a way the tax system supports families by lowering their taxes, I think that was helpful. But I think the earned income tax credit, if you want to look for an example of a program that is working, and I don't mean that it is the end all, but I do think that it is an example of a very well-targeted program in that area.

I also think that I agree with the comment the Chairman made earlier, that perhaps we have to focus more attention on encouraging enterprise in inner-city areas, and that is both a tax problem and a social and provision of local public services problem. It is also a financial problem. I think that encouraging black enterprise and minority enterprise is very important. I would point out that we have had a great deal of success in that area.

The number of black-owned businesses increased 50 percent between 1983 and 1987. There was an 83 percent increase in Hispanic-owned businesses. Women-owned businesses and businesses owned by Oriental Americans also had significant growth rates. I think enterprise is always the best way of advancing, and I think we have to encourage it.

COMMISSIONER REDENBAUGH. Governor, enterprise means credit and the Fed study that was released last year showed a shocking, but not surprising, pattern of racial discrimination in the member banks' lending practices. I know

that that study was not one of the ones you worked on, but can you tell us what remedies are being discussed as a consequence of that study?

MR. LINDSEY. I think the study was an important one. It gave us certainly some troubling data. I would have to say that I would not draw as readily the conclusions from the data that some have drawn in the press. The data involved an examination of rejection rates by income class, and the main thing to keep in mind is that income class is rarely the reason used by banks for rejecting applicants.

For people of all races, the primary criteria are credit criteria, and the loan-to-value ratio of the residence being purchased. What we do at the Fed and what the other bank regulators do when we go into a financial institution is look for what the criteria are for acceptance and make sure that those criteria are applied for people of all races. The study is an important one because it is going to help us in that task. Consider that there are something close to a million mortgage applications we are talking about. We are talking about very complex mortgage application forms. I am sure the members of the Commission have all filled one out and so have a sense of how complicated it is. Our examiners at the current time are limited to looking at a random sample. What we are going to do, instead, is have a computer program that is based on this HMDA data that can actually target banks that may have suspicious patterns and target individual loans that may be problem loans.

However, I would not draw the conclusions that some have drawn in the press about discrimination. In fact, the New York State Banking Commission, and the report it issued after a similar investigation, found that probably discrimination is not as prevalent as was suggested, but I do think we still have to break it, I think we have to stop it. I think the HMDA data will provide a useful tool in doing that.

COMMISSIONER REDENBAUGH. Thank you. Mr. Chairman, thank you.

CHAIRPERSON FLETCHER. All right, you are welcome. Commissioner Berry, please?

COMMISSIONER BERRY. Thank you, Mr. Chairman. First, let me ask Governor Lindsey—the cash income deterioration for black families who were least well off that you cite in your testimony, what effect did the cuts in welfare payments that Mr. Peterson talked about have? Did they have any impact at all?

MR. LINDSEY. I am sure they did.

COMMISSIONER BERRY. The other question that I wanted to ask is for Mr. Peterson. In your proposal to use vouchers for education—you didn't explain how this would work, and I know you don't have time to, you weren't given time to go into great detail of how this would in fact operate—but would you be prepared to say that in terms of dealing with the supply side problem in education that you would be willing to have all the schools that are known to be good schools by the indicators everyone uses—test scores, who goes to college, resources available, physical plant, the kinds of things that educators and others who have assessed schools would tell us are measures of what would be a good school as opposed to a bad school—would you be prepared to say that the good schools in a district or a State and the bad schools should somehow be designated, and parents should be informed as to what those are? Then we would have some kind of lottery system so that vouchers could be used so that everyone would have an equal chance to pick a good school as opposed to getting stuck with a bad school? Would you be willing to add that to your voucher proposal or something like that to make sure that there was an equitable opportunity to at least access the supply of good schools, as opposed to ending up in bad schools?

MR. PETERSON. My view is that you would have a period of transition that would not be easy. We have discovered, from observing the former Soviet Union, that moving from a bureaucratized economy to a market economy is not easy. It is difficult. We have now in education a bureaucratized economy, so moving to a market economy would not be easy. I would certainly appreciate the need to go slow and the need to move in steps and carefully to a situation where families were given equal amounts of money with adjustments for specific needs that specific families might have, especially families with handicapped children, but then that family would have a choice.

I feel that, in a reasonable period of time, the concept of good schools and bad schools that is so much a part of the American tradition, would be

replaced by what we find at the college level in the United States. We find a tremendous amount of variation in colleges. There are colleges that have a higher reputation than other colleges do. But there is also a feeling that there are a lot of good schools out there, and that there is no one good college that is just right for everybody, but there is a place that is right for each person. My view is that the lottery system reduces choice, and I would be reluctant to move to a lottery system.

I do think that we would want to provide as much information to parents as we possibly can, and much more information than we now have, about what is happening in schools, so that they can make intelligent decisions as to whether they would like to send their child to the school.

COMMISSIONER BERRY. Could you tell me whether you think that there are distinctions between the goals we have in sending students to elementary and secondary schools, which are compulsory—everyone attends—and the goals we have in making sure that people have access to higher education, where attendance is not compulsory, and where we have very different goals? Don't you think that this distinction requires additional responsibility on the part of those who make policy to determine that everyone has access to a chance to a good education, as opposed to simply saying, you know, "Here is your voucher; go sink or swim"?

MR. PETERSON. Well, we have the sink or swim philosophy with the Pell grants. We let young people choose.

COMMISSIONER BERRY. But that is higher education, sir.

MR. PETERSON. That is true. I believe that higher education and elementary education have a lot in common; that is to say, families want their children to learn from the first day they are born, and that does not change over time. Families are very committed to the education of their children.

If you take away from the family any control over their education, then they aren't going to spend their time and energy and focus thinking about what is the right school for my child. But you give them the power, and with that power will come a commitment to choose a good school right from the beginning. I do not believe that any family of any background does not have the intelligence, resourcefulness, and thoughtfulness to care about their children's education.

COMMISSIONER BERRY. We have a State constitutional requirement in our States that children be provided with a minimally adequate education—in some States it says adequate education—and that an education is compulsory. We do have some standards, some minimal standard and some minimal notion of what we ought to require, which means that most of our litigation has been trying to make sure that there is an equitable education, a fair education within those standards provided to everyone. Would your voucher system maintain that sort of requirement or would we simply go to an open system?

MR. PETERSON. We would have to make sure that schools meet certain standards. One would want to provide the greatest amount of choice. Our society would not allow schools to exist that didn't meet certain minimum standards unless they were provided by public school bureaucracies. We now allow schools to fall way below minimum acceptable standards. It is hard for me to believe that we would let private schools fall so low and continue to exist.

COMMISSIONER BERRY. That basically what we would have is students who got into good schools would have a wonderful time, which as I understand from the *New York Times* front page story in January on the choice system in England, what happened as a result and that is where this idea, I guess, came from. Students who got into good schools and their parents were happy and so were the teachers. They were funded; everybody was happy. Most of the students didn't get into good schools because there weren't enough good schools, and their parents were very unhappy and the teachers were unhappy and they lacked resources. But if I understand you correctly, this is a transitional problem, which unfortunately those who bear it will have to bear, but that over time you think that the system that would replace it would be wonderful. Did I understand you correctly?

MR. PETERSON. When I began studying the schools, which was 30 years ago, I was committed to reforming the central city public schools, and I worked on that problem for a long time. I have gone through the transition, the waiting and the waiting for the public schools. I have

heard all the statements that are being made today about reforming the schools, fixing up the schools, paying the teachers more salaries, adapting, changing the control of the schools, giving parents more rights to participate in education. I have seen only steady deterioration.

I realize that moving to a choice-based system will have a period of transition that will have its difficulties. Anybody would be foolish who didn't realize that fact. But I cannot see that that would be going in a direction that is worse than the direction that we are currently headed.

COMMISSIONER BERRY. My last questions are directed at Mr. Murray. Mr. Murray, to follow up, I found your ability to evade the question that my colleague, Commissioner Redenbaugh, asked you a wonderful example of maximum dexterity exhibited in public. But the Commission does have a study that he was referring to done on housing with people under oath, people who bought houses, Realtors, and so on, and that data that he described to you is in that study. I would simply ask that the Commission agree, if there is no objection, to put the conclusions concerning the taste and preferences of those who bought houses from that study in the record at this point, so that we would have it available to us as we consider the record. Because the record did show, as Commissioner Redenbaugh indicated, that even affluent whites expressed a preference not to have African Americans. There was more preference when they were presented with the prospect of Asians moving into the neighborhood, slightly less with Hispanics, and whether they were affluent or not, not much with the blacks. If we could just put that in the record in the interest of time, we can use it for the purposes.

I wanted to ask you about the Baldus study, and the other studies on the Georgia death penalty. I am aware of those studies. They were used in a Supreme Court case called *McClesky v. Kemp*, and I ask that my colleagues without objection, place along with Mr. Murray's testimony and this question period, that case in the record so that we can have it available.

The study was inserted there, and Mr. Justice Powell, who wrote the opinion in that case, explained that what was at issue was not whether black defendants were given the death penalty more often, but what the study showed was that the race of the victim was the variable that made a difference, not the race of the alleged defendant or the person who was convicted. In cases where blacks were the victim it was less likely that their murderer would be executed than cases where whites were the victim. Mr. Powell explained in that decision that, while this was discrimination on the basis of race, he did not feel it was sufficient to overturn the execution that was at issue.

Finally, on your testimony, Mr. Murray, you stated, if I understood you correctly, that whites who do not consider themselves racists do not want to in public say that they don't consider themselves racists or that they are not racists because they don't want the grief. Well, I was on the Donahue show a week before the Rodney King verdict came in and an audience was there, which was mostly white, and we were discussing Andrew Hacker's book on race and when he told them that racism existed, that they all were probably racists, they all screamed and booed at him and said, "We are not racists. There is no racism." At least on that occasion there were people who described themselves in public, on television, as not being racists. There is also polling data which would indicate the same thing, although I think that the Donahue show, circus as I call it, is one example where this was done in public.

I just wondered what you made of all these examples. In any case, I think you are quite right that class plays a major role in some of these problems that we have, but I just wondered if any of these observations would cause you to modify in any way anything you have said?

MR. MURRAY. I would have thought that the least applicable adjective to describe my presentation today was evasive. I was trying to be as utterly direct as I could. With regard to the Baldus study, you are quite right. It was the black victim versus white victim which was one of the main dynamics, and similarly on the analysis of Professor Barnett, this was the kind of thing which upon closer examination sort of faded away. There wasn't the racial discrimination that was previously thought. It wasn't meant to prove beyond a shadow of a doubt there wasn't any at all. I was trying to make, I think, a more nuanced point, which is to say, we tend to think

and look at data in big lumpy terms. We don't tend to take real close looks at it and try to get within the black box of what is going on, and what the motives are and the rest of it, and we ought to stop doing that. That was my main point.

With regard to the Donahue show, I think there is a very important distinction to be made. When I said whites, I said the whites in this room. There is in this country, among a broad spectrum of middle America a vociferous statement that we are not racists, in public. Of that there is no question, and the members of the Donahue audience fall into that category. Among the members of the faculty of Harvard University, and the staff of American Enterprise Institute, and perhaps the Board of Governors of the Fed, and perhaps the Civil Rights Commission, and a lot of other of the elite institutions of this country, there is a real reluctance to do that. I think the dynamic is not just unwillingness to take the grief. There is another aspect that I think that is equally important, and this is something that I think we ought to think about for awhile.

We say to ourselves, a lot of us—I am talking about whites now in these elite institutions—"Well, I am not a racist, but the fact is a lot of people are." Even if I try to make the case that racism isn't really a problem with me and a lot of the people I know, that is doing the devil's work because there are these other people out there that are worse than I am that I am going to be providing excuses for.

When I talk myself about voucher systems before college audiences—because I am also an advocate of voucher systems or tuition tax credit systems—I always get the objection from a student that says, "Well, if you do that you will end up with segregated schools, and all the rich kids would go to school with each other."

I say to the students, "Now, if you are a parent or when you are a parent, what kind of school do you want your child to go to? I am not talking about in terms of social justice. I am saying in terms of your child's own best development. Do you want your child to go to a lily white, everybody's affluent kind of school, or do you want your child to go to a good school, equally good academically, which is socially, and economically and racially heterogeneous?"

All the hands go up saying that they genuinely want their children to go to socially, economically, and racially heterogeneous schools, and they mean it, to which the followup question is, "What makes you think that you are so much better than most of the parents in this country?" I think that is a legitimate question. We are imprisoned inside our own individual worries about what all the rest of these folks are like out there, and I think it would be helpful sometimes to start from the presumption that maybe things aren't as bad as we think.

COMMISSIONER BERRY. Well, I am not as fond of the nuances as you are, and perhaps things are different in the halcyon groves of American Enterprise Institute and Harvard, but in the halcyon groves of Penn, there are many people who would say that they are not racists, but I leave it at that. Thank you, Mr. Chairman. I appreciate the time.

CHAIRPERSON FLETCHER. You are welcome. Mr. Wang?

VICE CHAIRPERSON WANG. Thank you, Mr. Chairman. I just want to follow up on this one. I was really fascinated by this.

Put in the world context, one-fifth of the human race are Chinese, and I would say that Chinese are racists since we have that large number. If you look at the history you know, down to this point, China considers itself the center of the world. From that framework, I think the Chinese are the most racist people in the world.

Professor Scott earlier talked about depersonalizing this whole debate on racial differences. What do you think about depersonalizing it from just a black and white situation, to look at from our current picture in America as a multiethnic, multicultural society? Would you say in that context we will be able to talk about it more openly, there will be less hesitancy to discuss it in public, that we will be more, shall we say, honest with ourselves?

MR. MURRAY. I think that there is a special problem, a unique problem, and this will come as no surprise to anyone, regarding whites and blacks in this country because of the history of this country under slavery. It has been my experience that in fact with regard to Asians and whites, the level of tension is not only much lower, the level of openness is much higher.

I was not only in Thailand, I was married for 13 years to a Thai woman—half Thai, half Chinese—and I found out after our engagement was announced that my mother-in-law at that time said that, "Well, Charlie is okay, but one Caucasian in the family was enough."

That kind of racism is easily dealt with and it is pretty much out in the open, and we can laugh about it. It is hard to laugh about blacks and whites in this country because of the special history. I think that is the great barrier that we have to overcome. Everything I have said today, not to say that I think it is going to be easy, but I think we have got to start the process of opening it up someplace.

VICE CHAIRPERSON WANG. Professor Peterson, your description of a comprehensive approach, I think, certainly makes a lot of sense. I think that with many of our problems today, we don't look at the total picture. But in your description of the total picture, I don't see that housing was mentioned. If you can enlighten us a little bit about where do you see housing in that scenario? If we still have such a housing division, poor families will still go back to a dilapidated neighborhood, which they would not have any respect for so they don't mind burning it. They don't mind destroying it. Are we going to come out of this cycle?

MR. PETERSON. I did not speak about housing, I suppose, because I think that housing is not fundamental. Fundamental is jobs, income, education. Housing and residential space is important, and we will get gains in that area once we have gains in the other areas. It is absolutely true that residential housing is as segregated along racial lines in 1990 as it was 30 years ago, virtually almost the same. It is a very serious problem. We have made very little progress there. I think we have made very little progress there because we have made very little progress in these other domains.

One reason why I think we must give choice in education is because today, the only way you get choice in education is through residential choice. We do have choice in housing, and white people make a tremendous effort to ensure that their children have a minimally adequate educational experience by locating in a neighborhood where they think the schools are pretty good. This has greatly increased the tendency towards residential segregation.

If parents knew that they could pick a school which would have minorities present in it, but that it would be a good school, and that the school would be racially balanced so that there would be a variety in the school—it wouldn't become a school in which their children would feel isolated—then I believe that many parents would move back to our central cities. There are many parents who would like to raise their families in central cities but choose not to do so because of the school situation.

I see housing as important, but secondary, to these other considerations. I think that if we can enhance the income of our lowest income populations through a system of family allowances, this will allow poor people to obtain more affordable housing because their income situation will not be as severe. Rather than having a program aimed specifically at housing, I would prefer to treat these more fundamental areas.

VICE CHAIRPERSON WANG. I agree with you except I thought that if we continue to allow the same kind of housing policy, even minorities with money, as Commissioner Berry has just mentioned, still cannot move into certain neighborhoods.

MR. PETERSON. Well, we have laws on the books that supposedly are addressing that. I realize that they don't, in fact. I guess the other thing I can say is that maybe I just don't have the quick answer today.

VICE CHAIRPERSON WANG. Okay, thank you.

Governor Lindsey, when you talked about manufacturing in your conversation with Commissioner Redenbaugh, I just thought, if we continue to emphasize our manufacturing is at the lower end of types of manufacturing, we are never going to be able to compete with Mexico, or with some of the other lower wage areas like China, or many other Latin American countries. Most of the jobs will go into those areas, and again, America's economy is going to suffer. Would you think if we continue to develop higher end manufacturing, with higher skills, with quality types of jobs that really will sustain one's family, with better education and better training that those jobs will stay here? Those jobs will actually help our economy overall. If we continue to compete with the developing countries, we are

going to lose because of the pricing, because of the competition.

MR. LINDSEY. I don't believe that the U.S. has moved into the bottom end of manufacturing. I think quite the opposite. The products that we are not manufacturing today that we used to are those that are most easily assembled. They are the ones that have gone overseas. What we specialize in today and where we are going like gangbusters is areas like machine tools, which are the most sophisticated manufacturing products.

It is interesting, where we have the edge today is in those products that the rest of the world needs to develop. Those are machine tools, construction machinery, aircraft, medical equipment. Those are our export industries. As the rest of the world develops, they buy those products from us. I don't think we are concentrating at the low end. Quite the contrary, I think we have moved up scale.

VICE CHAIRPERSON WANG. Are we really investing enough in research and development to increase jobs in those areas you are talking about? For the products on the lower end, our actual earnings have decreased. So if we have more effort in those areas, our earnings should not decrease.

MR. LINDSEY. I think it is important to note that one of the reasons productivity has risen so dramatically is that we are developing more sophisticated production processes. While our manufacturing output has risen more than 40 percent, the number of employees producing that output hasn't budged. It is the same as it was 10 years ago. That is what productivity is; it is more output per worker, and that is exactly what we have. Do you understand my point? You can't square the circle here. I think that there is no question that higher rates of investment are good, higher rates of education are good. My observation was that we should not belittle America's capacity to compete in the world because, in fact, our manufacturing base has done quite a job in the last 10 years at bringing itself up to world class standards, and that was the limit of my comment.

VICE CHAIRPERSON WANG. Thank you.

CHAIRPERSON FLETCHER. All right. Commissioner Buckley?

COMMISSIONER BUCKLEY. I would like to focus first on a conversation. First of all I would like to go back and review the fact that we are here to discuss racial tensions, and the fact that there are racial tensions that seem to be on the rise in most American communities all over this country. Some of the reasons that we have heard about this rise in racial tensions has been unemployment, education issues, and money issues. When you talk about educational vouchers, we are going into a sophisticated, elaborate explanation of how you are going to determine the monies here. When these vouchers are assessed, what will be the criteria that says, "Here is the money you receive"? You are saying to a parent, "Here is your voucher, go to this school." What quantities of monies? What do you figure in this quantity of monies?

MR. PETERSON. May I give you an example of what they are doing in the State of Wisconsin at the present time? The State gives the city of Milwaukee $2,500 a year, approximately, for the education of every child in the public schools of Milwaukee. Milwaukee itself, out of its own tax resources comes up with another $3,000 or a total of about $5,500.

Now, in Wisconsin a new law has said that the $2,500 will be given directly to families for no more than a certain number of families, and all families must be of low income. Those families, if they are willing to send their child to a secular school—it is not part of the public school system—then the State of Wisconsin will give that $2,500 to that nonpublic but secular school.

Now I think this program has deficiencies in it. One major deficiency is the nonpublic school only gets $2,500 for each child, whereas the Milwaukee public schools get $5,500 for each child. The second deficiency is that religiously based schools can't participate in this program, depriving parents of the choice of providing a different kind of a setting for their child. Nonetheless, even though only parents who have income of less than one-and-a-half times the poverty line are allowed to participate in this program, if you look at the data that comes in, these parents hated the public schools. They just love these schools their kids are sent to, and the kids are doing better in these schools at less than half the price. At less than half the price, these kids are doing better in these schools.

This is the end of the first year evaluation that I am reporting on. Maybe the second year evaluation will come up with different numbers, I don't know. But the first year, which was a very difficult transition year, was remarkably successful. This is not the best system, but it gives you an idea of how such a system could work. If every child had the same amount of money from the State as is now going for public schools, and it went to whatever school the parents selected, then the monies could be used much more equitably than today.

Today we don't have the same amount of money being spent on every child. There are enormous differences among our suburban school districts and our rural districts and our central city school districts. If we really want equality in education, then why not give equal amounts of money for every child in a given State and let the parents choose which school will get the money?

COMMISSIONER BUCKLEY. Part of the problem that I see and I know it is happening now, is that—say a school district sets up a magnet school—over there—and these families live over here, but they don't have a car, and they don't have bus service. How are they going to get over there because over there they don't want to spend the money that they got for those students on busing? Fuel costs are exorbitant; in Texas we have to go from gasoline to another kind of fuel system, so they are going to have to reequip the buses. They are going to say the school is here, your voucher can come here, but I don't know how you are going to get your kid over there.

MR. PETERSON. This has been a problem in Milwaukee. The transportation issue has been an issue. About the only complaint the parents have is that their children sometimes have to travel too far to school. Over time you are going to get schools developing in every neighborhood, a church, especially if you let churches participate in this, or synagogues or temples. Then they will begin to create their own schools in each and every neighborhood.

I agree with you this problem of transportation will be one of the big problems in the short run; it is a problem now. The whole idea of creating magnet schools within the public school system, and our whole attempt to achieve desegregation through busing, which completely failed, was a problem about which people said, "We care so much about this that we are not going to let transportation stand in the way." I think the same is true here. We care so much about the education of our children that we can't let transportation problems stand in the way.

COMMISSIONER BUCKLEY. This is for Mr. Murray. We have some quotes here and you may refute them. There is an article that appeared in the *Washington Post* April 17 on underclass facts and myths. You make the comment the paper said, "Some problems can be separated and solved individually. Helping the poor is one thing," he said. "If you are talking about helping the underclass I would have to take issue. There is no evidence we know how to do that. We have no evidence as to how we can help the underclass."

We hear everywhere we go that we need to get the blacks that are unemployed and undereducated up and out of this through education. Hispanics, they are in the same position. What can we do to make sure that they move?

Examples are out there: you sit down and fill out a financial aid form and if you are upper, lower class or lower middle class, you take a long time to fill out all the paperwork, and the only thing you get back from it is your parents are going to have to put together $6,000. Of course, they don't have disposable income of $6,000 a year to send these kids to school. You apply for a JTPA program and you are just barely inched out because you have too much income. You can't get in. So how do we get them to move up? You can't go to college. You can't buy it. You can't pay for it. You can't go into these JTPA programs for training because you have too much money even though you are on food stamps and receive Social Security or AFDC. What do we do?—because we need to move the children—50 percent of the children are in poverty—out of there. How do we move them?

MR. MURRAY. I guess the easiest thing to do is to explain what I was referring to in that quote. If you have dealt with newspaper reporters, you know yourself—What I was saying is that there are certain kinds of problems we don't know how to deal with, which is to say if you take 100 women who have been on welfare for several years, or you take 100 young men who have never been in the job market and they are in

their early twenties, do we know how, do we have any programs that can change the behavior of a large chunk of those, not just the margins, but a large chunk, and the answer is no. We really don't know how in a technological sense, if you want to put it that way, to solve certain kinds of problems.

The kind of thing we do know how to do, pretty effectively, is to lend a helping hand to people who are already trying to help themselves. I think that there are lots of things we can do to help somebody who is trying to get into a school situation or a training situation and says, "Look, I am going to work hard and come every day and do all I am supposed to do. What I need is a chance to get into the program." That kind of thing we can we do.

CHAIRPERSON FLETCHER. Commissioner Anderson?

COMMISSIONER ANDERSON. Thank you, Mr. Chairman. I thought this was a very interesting panel because it focused on the fact that there is good news and bad news. I found particularly interesting Governor Lindsey's observation of the rise in black median income at a greater rate than white median income during the period of the 1980s. It seems to me that, too often, the discussions we hear about the topic we are studying today tend to be between people who can talk only about the good news and people who can talk only about the bad news. While they both have some truth about what they say, they don't have all the truth about it, and, therefore, there is a lack of resonance between the sides of the debate. So to me this is helpful because it begins to focus us on where I think we ought to be focused, and that is that there is a success that we ought to be aware of, and yet there are still very significant deficiencies. I am reminded of de Tocqueville's reflections on the revolution in France. I think he makes the same type of point regarding the intensity of criticism of a government which begins reforms, but has not yet completed the reform process. I think, perhaps, we are seeing some of that in evidence yesterday and today during these hearings.

Governor Lindsey, you have emphasized in your remarks individual initiative. Yesterday we heard panelists say that we should not focus on individual initiative, we should focus on collective or corporate community initiatives. The items that you identified at the last paragraph of your remarks about incentive-oriented programs, lower rates of taxation, lower hurdles to owning one's business, greater opportunities for home ownership, that is the corporate or community side of the initiative. It responds or it enables, or it empowers an individual initiative. Could you talk to us a little bit, specifically, about what you think ought to be done, or what you would recommend to us in terms of a response to the situation, particularly in Los Angeles and other urban areas that face similar kind of difficulties now?

MR. LINDSEY. Mr. Anderson, I think you are asking a very good point. I was in Los Angeles a week ago Monday addressing the California Bankers Association. I would ask the Commission to have those remarks put into the record. I will be happy to send them over. I had a number of suggestions in there of what the financial services industry could do I think that those, perhaps, sum up one approach.

COMMISSIONER ANDERSON. Dr. Murray, I appreciate your candor. It seems to me that the phenomena that you relate about white people not believing, and perhaps honestly not believing, that they are racists or prejudiced or engage in that kind of conduct, I think it is helpful to us, you bringing that out. I say that because, in the imagery that we had from the Donahue show, it seems to me, often, that what happens is that we get people on both sides yelling, as in the good news, bad news polarity, "We are not racists, you are racists; we are not racists, you are racists." Because people really may not believe it, that they are racists, somehow the discussion about the prejudice that blacks perceive they face in society, and do indeed face in society, again does not resonate in the larger white community, which has the resources, but perhaps not the way yet, to correct that situation. It seems to me the job of this Commission is, in large measure, to find a way of resonating the black experience to the white community in a way in which it will be believable to the white community, and a way in which it will make a difference in the white community. I think too often the way, again, the debate is polarized, we don't do that; in fact, we do the opposite of that. I would like you to respond. I am not sure that is a question, but I would like you to respond.

MR. MURRAY. I would like to agree with you. I think that, if we start to talk more about class and about behavior and so forth, we could make the following kind of statement to white America, which no President has really said, neither Ronald Reagan nor for that matter Jimmy Carter nor anybody else, nor Lyndon Johnson. That is, "Okay, whites, you don't have to love all black people. If there is a woman who has several babies and she is on welfare and the rest of that, and you want to look down at her, that is fine. But by the same token, the other woman down the street, who is a black woman who is working two jobs because she doesn't want to be on welfare, and she is raising her kids to study hard and teaching them all the same values that you are teaching your kids, that woman you do have to respect, because she shares the values you have." In that kind of appeal, I think we have a way of forming links across races, which have been very badly sundered. Once again, let me refer to the massive lumpy way we tried to deal with race relations, where white people are supposed to feel badly about the way they have treated black people and that hasn't worked. What can work is to call upon our common kinship grounded in values and behavior, which are shared across wide numbers of people of both races. We ought to start doing that.

CHAIRPERSON FLETCHER. Thank you very much. I am going to address my comments to government. Let me start by saying that, as I said a moment ago, for about 40 years I have put my hopes in the belief that if we tried, tried the free enterprise system in depressed neighborhoods, provided them with the means to enhance the quality of their lives, individually at the household level, and throughout the institutions within the neighborhoods that service them, that we can experience an enhanced quality of life and an improved capacity to participate in the society, racism notwithstanding. I happen to believe that we can hope to do things that haven't been done before, possibly in my lifetime, but I am not going to live long enough to see things, to do things, that haven't quite happened before. I don't recall reading in history anywhere we eradicated racism before the U.S. became the U.S. or anything else. The question is how do you manage it in a way that a civilization and a society can reach as much of its potential as it possibly can in any given period? I am not even going to discuss whether whites are racists or blacks are racists or Chinese or Japanese or any of the rest. To a degree we are all tinged with racism. It depends on the amount of our behavior that it controls, when it does kick in.

There is an assumption that the more economic means that I have in my possession the later in the scale it kicks in. It doesn't kick in at the McDonald stand level anymore, since I can buy a Big Mac. However, I do find it kicking in the city at certain white cloth restaurants. Even though I have the means to be there, and dress well enough and know which fork to use—I learned that when I was waiting tables, which fork, which knife, and those sort of things to use—there are those that feel a little uncomfortable when they see me experiencing life at their level. Sometimes I think they have the problem of saying, "If he is in here performing and functioning at my level, than obviously I am inferior, not him, because I know the roadblocks we put in his way to get here and he has gotten here in spite of it. It could be that I am inferior not him." I leave that to them. I just try to enjoy my steak or fish or whatever it is and don't worry about it.

Now, I said that to say this, I have been waiting a long time to see the financial service industries get suited up to get into this ball game. I think they have a great deal of the resources needed to improve the quality of life for the individual as well as the household. In 1977 the Congress passed a bill, as you are aware, called the Community Reinvestment Act. I want to share with you my testimony before the Senate Banking Finance and Urban Affairs Committee. Here is what I said, "In 1977 the Community Reinvestment Act established the responsibility of financial institutions to meet the credit needs of the communities where they do business. The act's primary purpose was to end patterns of discrimination and disinvestment in housing; it also required banks and savings and loan institutions to meet community needs for other types of loans, for small businesses, for commercial development, and for industrial development. Since its enactment, however, the CRA has not succeeded on either front. It has not created an initiative in the banking industry to end redlining in providing home mortgages, nor has it increased business development within

low-income or minority communities. Data released by the Federal Reserve Board last fall confirmed that racial disparities on a national scale continue to exclude large segments of Americans from access to credit."

That is critical, as you know, because this is a credit economy when it is all said and done.

"Figures gathered by the Fed demonstrate that, if you are black, it is twice as likely that your mortgage application will be rejected as it is if you are white even if your income is the same. If you live in a low income neighborhood, many lenders probably have no desire to provide loans for mortgages in your neighborhood anyway." Then I spell out the flaws.

"The major flaws of the CRA are clear. First, the law does not require institutions to make a specific number of loans in a given area. Second, the CRA's rating of lenders depends heavily on the institutions' ability to produce reams of paperwork, rather than on how much money it puts back into the communities. Third, regulators are not enforcing the law aggressively. Even if they were, however, there are no substantive penalties for violators. Finally, no objective criteria exists by which banks or savings and loans can be judged for being in compliance under the CRA." I will stop and ask for your response to those citings.

MR. LINDSEY. Mr. Chairman, you have laid out quite a bit. Let me say that I think you have described as eloquently as I have ever heard exactly what our challenge is, and that is to manage the problem, and make sure that it does not play a role in public life.

Let me begin with your observation about the HMDA data, data that we released. Commissioner Redenbaugh asked me about it briefly. The first factor that is important to keep in mind is that that data is of substantial concern to us. Thanks to technology, we are going to be arming all of our field examiners who do CRA with a computerized model so that when they walk into a bank, they do not as they did in the past—look for discrimination by using a random sample—but look at precise loan applications and go right to the bottom of it. Anything that looks suspicious, they will be able to target right away. I think the HMDA data provide a very useful tool.

Having said that, I do not share the conclusion of the summary data that you mentioned. The data gets to be very complex, and the more you look at it, the tougher it is. What I would define as managing the problem of unacceptable discrimination is, if a standard is established for white applicants, but a different standard exists for black applicants, that is absolutely wrong. Each individual must be graded on the same standard, when we go in and do an investigation that is the standard we use.

We look at both accepted and rejected applicants, to make sure that rejected applicants who may be black or Hispanic or members of other groups, were not rejected because the criteria were different. We also make sure that criteria were not lowered for white applicants. That is how we have to do it on a case-by-case basis.

In regard to the aggregate HMDA data, it was not a case-by-case analysis. It was, as you observed, sampled by income, but in none of the racial groups—not for whites, not for blacks, not for Hispanics—is income the criteria; it is not even the first, second, third, or fourth most commonly used criteria for accepting or rejecting loans. The most common criteria for whites, blacks, and Hispanics is credit history. The second most common criteria is loan-to-value ratio on the home involved. That is something that we don't have in the HMDA data, so we don't know from the aggregate data whether it was discrimination going on or whether it was loan-to-value ratio.

We have to move aggressively to manage the problem, and I suggest three steps, particularly for home mortgages. The first is that in a number of cities, mortgage review boards have been established. Boston, Detroit, and Philadelphia and I understand, last week, that New York just established one. In those cities applications from members of minority groups who are rejected in some cases can, and in some cases automatically are forwarded to review boards that have objective criteria to look at each mortgage. I think that is helpful. I think it conveys exactly the kind of managing the process that you mentioned.

Second, I think that we have to do more on education. It is amazing how many consumers in this country don't have any idea what a loan-to-value ratio is, or how they, as individuals, can set up their financial affairs to ensure success when they apply for their first mortgage. I know

I learned a lot when I applied for my first mortgage, and I was relatively advantaged in understanding the data. I have encouraged banks to go out and work with community groups and in schools to convey basic consumer education so that they can succeed when they apply for their mortgages and loans.

Finally, I think banks, themselves, should use their own employees or some other mechanism to shop their own banks and report back to management how they are treated. I think this gets back to managing the process. It may be—in fact, I think it is probably likely—that there is subliminal, subtle discrimination going on, and I think oftentimes the discriminator may not even know what he or she is doing. I tend to believe people to want to solve problems and if it is pointed out, the person will correct their action. I am recommending that banks use a shopping technique within their own institutions to get at that. I know it is a long answer to your question, but I hope I addressed it.

CHAIRPERSON FLETCHER. I also included in my testimony that—I will read the paragraph. "In our upcoming hearings on racial tensions, the U.S. Commission on Civil Rights will examine the Community Reinvestment Act's effectiveness, both nationally and in various locations. Our purpose will be to identify and recommend to the Congress, not only improvements in that act, but new ways to break down credit barriers. Included in our study will be the feasibility of creating new incentive programs to get our financial institutions to recognize low and moderate income neighborhoods as attractive, viable markets. I urge the Congress to embark on this exploration as well."

Question: When we talk about incentives, I have learned that the way to get things done in this country is to urge people to do the right thing, not because it is the right thing, but because we give them an incentive to do it. I learned that at the Labor Department some 20 years ago. What kind of incentive do we need to get the banks and the financial service industry to look upon servicing depressed neighborhoods as a viable market? Now I will make a point that, when you read the census data, it is kind of interesting that it indicates that the black community, for an example, is a $275 billion market after taxes, that the Hispanic community is a $175, almost $200 billion market after taxes. If we look at the Asian markets and others that make up our minority communities and start looking at the money now, and the amount that they have that we will call for discussion purposes "discretionary income after taxes," they seem like pretty good markets to me. Yet, when we talk to the financial services industry, they want incentives to go make money in their market. I don't quite understand that. What kind of incentives are we talking about?

MR. LINDSEY. Well, I am not sure what they are talking about. I think your point is well taken, that there are a lot of profitable opportunities out there. With regard to CRA, I am also the Board's representative on the Board of the Neighborhood Reinvestment Corporation. I have travelled around the country and I have seen a lot of good things going on. I commend to you a lot of that.

That I think is brought about by CRA, so I think that there are a lot of positive things going on. Sure, more needs to be done. But I do think that CRA is probably working better than it may appear to be on the surface. As I go into individual neighborhoods and see the kinds of investments that are made, I am encouraged. I know patience is a lousy thing to have to suggest, but I think we are making a tremendous amount of progress, I think the economics that you mentioned are going to lead our financial services industry to where the profits are. I think that we made a lot of progress in the last 10 years and we will continue to in the next 10.

CHAIRPERSON FLETCHER. Now as I have talked to some of the people who are bank employees responsible for implementing and carrying out their documented commitment, some of them were very candid with me and said, "Art, this represents our response to the law, but not our response to the recognition that there is a market out there." In other words, "We are doing this because the law coerces us into doing it," if you will. With all of the investigation that goes into identifying housing opportunities—this one spells out, for example, this is the South Los Angeles Community Reinvestment Act—they talk about the homes in south Los Angeles that are 60 years of age or older, and a number of other things, they identified the need for housing there, they identified the need for various other

things. That is a part of the Bank of America and Security Pacific, before they could merge, they put this together. They have actually earmarked $12 billion for reinvestment in the depressed neighborhood.

MR. LINDSEY. Right.

CHAIRPERSON FLETCHER. Now what I am hearing is that this was done in the spirit of complying with the law, but not so much in the spirit of recognizing that south Los Angeles is a market.

MR. LINDSEY. Well, I think that is unfortunate, because I want to make sure they make money on that money or we, as bank regulators, have got to worry about them.

CHAIRPERSON FLETCHER. That is right.

MR. LINDSEY. I think the observation is an unfortunate one, but I think that the very fact that they said that they were willing to commit $12 billion to community development just to comply with the law is evidence that maybe the law is having some effect. I know that CRA was something we looked at very, very carefully before we approved the Bank of America-Security Pacific merger, I think that the example you just gave is a good example that there is a lot going on, maybe for the wrong reasons, but at least it is going on.

CHAIRPERSON FLETCHER. Is it fair for me to assume that these kind of agreements now exist in all 12 Federal Reserve regions?

MR. LINDSEY. One of the reports we get, not only for a merger, but if you want to open up a branch or anything, is a CRA report that has to be filed.

CHAIRPERSON FLETCHER. Is there a clearinghouse of these so that we can get a look at them and examine them?

MR. LINDSEY. What is publicly available—and I always get nervous when I talk about specific laws—you can get a CRA report on a bank.

CHAIRPERSON FLETCHER. What I understand is that these agreements just have to be in one central location; they don't have to be at all locations. Are you familiar with that?

MR. LINDSEY. To the best of my recollection, you can get it from a local bank, but Mr. Chairman, if I could answer that question in writing, when I check what the actual details are, I would appreciate it.

CHAIRPERSON FLETCHER. We would like to have it. Now, let me say that there is another financial reporting requirement for all financial institutions. The law was just passed in 1990. FIRREA (Financial Institutions Reform, Recovery and Enforcement Act, 12 USC § 14.37). If that information is properly filed, it is going to expose something that this nation as a whole has never really wanted to expose, and that is the consistent rate of disparities, critical disparities, year after year after year. In short, Congress, the Nation, and the world are going to be on notice that the financial services industry has some real problems when those disparities come in and they will be coming in all the time.

First let me say that Congress, the President, nobody is going to be able to suggest that there isn't a problem here. Now it might not be race. I am not one who says that all of these disparities are the product of race. In fact, in the *Griggs* decision they recognized a thing called "business necessity." And "business necessity" suggests that minorities and women can be impacted in a disparate fashion, not because of their gender or because of their race, but because of business necessity. We have to do it this way. Once that information surfaces every year, I expect to see a few banks and others get behind the "business necessity" cloud and try to explain away the disparity, and stay as far away from race as they possibly can. A lot of that effort will be legitimate, but at the same time the disparity is going to be there. I am interested in knowing if the financial institutions are aware of what they have opened themselves up to with reference to agreeing to allow those records to be filed every year?

Mr. Lindsey. Well, I wouldn't want to speak for the banks.

CHAIRPERSON FLETCHER. Speak for yourself then.

MR. LINDSEY. I think it is helpful. I think getting this information out is helpful. What I hope will happen is that we will see a continuing trend of reduced disparities as time goes on now that the data is coming out every year.

CHAIRPERSON FLETCHER. I will conclude my questioning and observations by saying that I have been invited to the Hill this afternoon to sit down and talk with Senator Riegle about my remarks with reference to the Community

Reinvestment Act. I assured him before going up that, when we get through with our series of hearings, we will probably want to go up there and have a public hearing and make recommendations. We would like very much—I am speaking for myself, but I think the Commission will agree—we would like very much to work with you in terms of finding out how we can make this thing work.

I think the Community Reinvestment Act holds out the promise of being an economic magna carta, if you will, for the depressed neighborhoods, with or without discrimination, and I want to see that work. I think it is our last hope. If this doesn't work, if we can't improve the quality of life in spite of all the racism and the problems we are going to have in the foreseeable future, then it could be the game is over.

The ball game is in the financial service industry's hands right now. You can help make this system work in spite of the apparent hopelessness that seems to be ruling today. We don't need new legislation. The banks have already committed. As you pointed out, the merger in this region is a commitment between the North Carolina Bank and Sovran of $10 billion. They didn't ask for new taxes or anything else. They said if you will let us merge, we will commit $10 billion to redeveloping the depressed neighborhoods of this country. If we can make those things work, we will get ahead of the Congress and the President and the politicians, and while they are trying to make political mileage, partisan political mileage out of this debate, we can get the show up and running. I want to give my personal commitment to helping you make it work, and I am sure that most, if not all, of the members of this Commission will do likewise.

MR. LINDSEY. Thank you, Mr. Chairman. I am sure that we would be delighted to work with you as well.

CHAIRPERSON FLETCHER. Thank you. Let's go for lunch.

[Recess.]

Afternoon Session, May 22, 1992

Socioeconomic Factors, Part 2

CHAIRPERSON FLETCHER. The hearing is convened. Would you please join counsel, members of the panel, please?

MS. BOOKER. Mr. Chairman, members of the Commission, the next panel is on socioeconomic factors, part two. Professor Bates, Ms. Bessant, Mr. Fishbein, Dr. Tidwell, may I ask each of you to limit your remarks to 10 minutes, after which the Commissioners will have questions? May we begin with Professor Bates?

Statement of Timothy Bates, Chair, Department of Urban Policy Analysis, New School for Social Research

DR. BATES. Thank you. In picking an aspect of minority-owned business to discuss in the context of rising racial tensions, my choice—made several weeks before the recent, unfortunate events in Los Angeles—was to focus upon Korean-owned small businesses operating in low income, inner-city minority communities. There is a problem of perceptions here that is very widespread and is exacerbating racial tensions. Let me quote a Los Angeles Korean merchant to set off some of the perceptions that are behind these racial tensions. This Korean merchant was quoted in the *New York Times* on May 3. He said, "I think black people are jealous of the Koreans. They are lazy. We are working hard. They are not making money. We are making money." I believe these perceptions are undoubtedly held by others than Koreans in Los Angeles.

Within the black community—certainly within the New York City black community, there is great antagonism toward Korean merchants expressed in the form of community boycotts, but also expressed in the form of incorrect perceptions. There is a widely held perception that many of the Asian immigrant firms are receiving subsidized loans from the government. These subsidized loans are very few and far between. There is another widespread perception that Asian immigrant firms don't have to pay taxes. Perhaps some don't, but they are certainly not subject to any subset of the tax laws that differentiates them from other self-employed persons.

Another common perception, a true one, is that Asian immigrant firms rarely employ blacks in inner-city retail operations. Mass media perceptions, and I will generalize a bit here, but one very common question I hear from reporters runs like this: "Why can't blacks seize the business opportunities that exist in their own urban communities? Why do Koreans have to travel

halfway around the globe to run the retail outlets in big city, African American communities?" Let's define an issue out of all this and analyze it comprehensively in 5 minutes. Have Asian immigrant firms, Koreans specifically, created an economic development model that indigenous minorities should be emulating? A few facts: First, the Asian immigrant group with the highest average self-employment earnings in our society is Asian Indians. The average self-employment earnings of Asian Indians are higher than those of any other ethnic group, minority or nonminority. Asian Indians, as a group, are disproportionately recent immigrants. They are very highly educated, and their area of self-employment concentration is not retailing; it is professional services. Asian Indians also, interestingly, have the lowest self-employment rate among any of the major Asian immigrant groups, the other major groups being Chinese, Koreans, and Filipinos.

What is the Asian immigrant group with the lowest self-employment earnings? It is Koreans. Koreans are, on average, very highly educated as well. Most possess significant managerial/professional experience before establishing their small businesses. Most arrive in the United States with significant financial capital, frequently derived from selling a home in Korea, supplemented from personal savings. The major area of concentration among the Korean self-employed is small scale retailing. They have the highest rate of self-employment among the Asian immigrant groups and reap the least in terms of monetary rewards. If we look at all Korean self-employed and find the line of self-employment for Korean immigrants that yields least, it is retailing, once again. We have a huge concentration here of individuals that are highly talented, educated, skilled, concentrated, and running things like "Mom and Pop" grocery stores in inner-city, minority communities. Let me suggest one very important difference between the more successful Asian Indians and the less successful Koreans. Asian Indian immigrants are the single Asian group that is most likely to be proficient in English when they arrive in the United States. Hence, their occupational choices are not constrained by the language barrier, and they move into lines of self-employment or professional services that are consistent with their education and skills.

Koreans are the group with the least language proficiency in English. Let me give you a brief rundown on a survey done of New York City green grocers, all of which are run by Korean immigrants. In this example of Korean grocery stores in New York City, of the owners of these stores, just under 80 percent of them were college graduates from 4-year institutions. Out of a sample of 40, 2 had master's degrees, 1 in pharmacology and 1 in engineering. Capital startup problems are frequently mentioned in the context of getting started in inner-city businesses, yet among these green grocers, two-thirds indicated that they had faced no problems whatsoever in obtaining the startup capital to establish their businesses. Their two major sources of startup capital were, number one, their own savings, and number two, loans from family and friends. Consider this Korean experience as an economic development model. Perhaps then, we should suggest to African American young adults who graduate from college that they should go off and acquire a decade or more of managerial or professional experience in the corporate and government sectors of America. Then with this education experience, do what, open a "Mom and Pop" retail store in the minority community? Is that an economic development model? It is absurdity.

Individuals with education and skills that parallel the Korean green grocers would not consider running a small retail outlet in a minority community because it would be a waste of their education and skills. Similarly, Koreans are very frequently wasting their impressive human resources in the short run when they run these small retail operations in inner-city ghetto areas. In the longer term, as they learn English, they move out of these lines of business and into salaried employment. If one studies the assimilation patterns of Japanese Americans, you will see the same pattern. Or, if they do remain in self-employment, they will enter lines other than retailing that utilize their education and skills, as Asian Indians have done.

For Watts residents in Los Angeles, we can find groups with college degrees, groups that are high wage earners that work in the corporate sector, in the government sector. But, there are

very few because most individuals in Watts are African Americans who, when they acquire these characteristics that resemble the Korean owners and move out of the community. Those that remain disproportionately lack the education, skills, and the financial capital, and hence, they cannot compete with the Koreans precisely because the Koreans are endowed with the characteristics of successful entrepreneurs. The remaining residents in low-income areas of south Los Angeles disproportionately are not.

The fact that African American residents of Los Angeles, as a group, respond to opportunities is perfectly consistent with the fact that very few highly educated, experienced people run small retail outlets in south central Los Angeles. The converse would reflect a very peculiar, dysfunctional adaptation of opportunities. Thus, we have a Korean economic development model that is rooted in blocked opportunities, in particular, the inability to speak English, which keeps groups, in the extreme, such as pharmacists from passing the State licensing exams that they need to pursue their chosen professions. This results in an underutilization of skills. It reflects an absence of alternatives in white-collar employment, and it is a development model that should not be emulated. I might add that the media such as the *New York Times* should stop beating the inner-city minority community over the head with bootstrap notions about abundant business opportunities in the small scale retail sector because the Korean experience does not support this media myth. Thank you.

CHAIRPERSON FLETCHER. Thank you.

MS. BOOKER. Ms. Bessant.

Statement of Catherine Bessant, Senior Vice President for Community Reinvestment, NationsBank Corporation

MS. BESSANT. Mr. Chairman and members of the Commission, I am Cathy Bessant, community investment executive for NationsBank Corporation. I appreciate the invitation to testify before you today on the relationship that exists between socioeconomic factors and ethnic and racial tension. I believe you have asked me here today because, as a banker, I can attest to the brutal economic realities minority Americans face, and because my company has taken an aggressive stance in helping to overcome those realities.

I would like to begin by giving you a brief overview of my company. NationsBank is the fourth largest banking company in the United States. The area we serve stretches from Baltimore, south to Miami and west to El Paso, and represents the Nation's fastest growing region. In fact, just 5 years ago, my company was a mix of 25 separate banks scattered across the South. Today, we have nearly 2,000 offices in over 650 communities and more than $110 billion in assets.

We built a powerful banking company from a base of community banks through a commitment to one basic philosophy—what's good for our communities is good for our company. My division of NationsBank is called the Community Investment Group. What we do necessarily goes far beyond the stipulations of the Community Reinvestment Act of 1977. NationsBank has made a commitment to my unit as one of business development rather than of compliance. We target our program toward minority consumers, low and moderate income consumers, small businesses, and other historically underserved areas of our communities. As the company's principal community investment executive, I am responsible for cultivating business opportunities in all segments of the communities we serve. We believe and have evidence that these business opportunities exist. We simply do not run our company merely by doing what is required of us by law. Instead, we attempt to do what is right by our communities.

Mr. Chairman, because of the attention generated last fall when banks, including our two predecessors, C&S/Sovran and NCNB, released their home mortgage disclosure data for 1990, we understand why you are interested in hearing from a banking institution today. Beginning with last year's data, for the first time there is now a form of measurement in our industry, which provides evidence that banks are falling short of meeting the needs of important segments of their markets. The HMDA results reflected a number of factors which impact lending decisions. The primary reasons for turning down credit applications were identified as credit and employment history, value and condition of collateral, and debt-to-income ratios. In light of this

information, my focus today is on the future of NationsBank and the vital role we expect to play as the leading provider of capital in our region.

While the first HMDA results were frustrating for us, they document legitimate issues and confirm that there is considerable work to be done. We do believe that the perception of banking practices in this country is one of the components of an atmosphere that contributes to racial tension. I emphasize the word "perception" because we firmly believe that the perception of banking practices does not accurately reflect the reality of these practices. Let me explain.

A lot of people have concluded that widespread racial bias permeates this country's banking system. On the surface, the HMDA results would tend to support that perception. However, the evidence indicates that the issues which limit credit availability among our nation's minority population are socioeconomic rather than racial in origin. Further, we at NationsBank feel it is our duty to overcome and help eliminate those socioeconomic factors and make capital readily available for all segments of our markets. But, as we attempt to live up to that responsibility, we face some difficult challenges. One major hurdle that we believe limits prosperity and growth among our nation's minority population and, unfortunately, limits the ability of banks to use lending to help solve the problem is the demographic reality prevalent in our region.

For example, we have found that unacceptable credit history stymies potential African American borrowers twice as much as potential white borrowers. Further, we have found that net worth and disposable income levels vary tremendously by race within similar income categories. Another challenge we face is a conflicting mandate from our regulators. In short, what we are facing amounts to a regulatory double standard. As you know, banking is a highly regulated industry. In addition to facing the challenges all corporations face, regulators hold us to strict credit policy standards, which require us to make only the strongest loans. On the other hand, we are charged to be—and I might add, want to be—innovative and flexible in our lending efforts under the CRA. However, the loans we make and need to make in order to meet community needs often don't meet the standards of our regulators. Obviously, these conflicting messages encourage us to take fewer chances on potential borrowers.

Credibility is a third challenge we deal with every day. People in low income neighborhoods, and perhaps deservedly so, simply don't believe we want their business, despite all the products we have developed, despite all the initiatives we've taken to get to know these areas of our communities better. We fight each day the perception of our low income and minority customers that a bank, particularly a big bank, isn't interested in meeting their credit needs. This intimidation keeps potential customers from coming into one of our offices and applying for a loan. To overcome these challenges, we've undertaken a number of proactive and result-oriented initiatives to show just how serious community investment is to us. Last summer we announced an unprecedented $10 billion commitment to community development lending to inject loan capital into the underserved sectors of the communities in which we operate. This commitment and its attendant programs serve as the umbrella for our community investment efforts.

At the time, that commitment was twice the size of any community investment pledge ever made in banking history. We are putting our money where our heart is in this initiative. Credit commitments will fuel the growth of our communities through this pledge in the form of affordable housing loans, including single and multifamily lending, small business loans, public-private partnerships, and other forms of community development lending. We would like nothing more than to surpass the $10 billion goal we have set. In fact, results today show that we are well on our way to surpassing $1 billion in community development lending in 1992. Other than its sheer size, the real strength of this commitment is in its design. Community development lending decisions will be locally driven in response to local needs and local customers. In addition, we have pledged to publicly report our performance on a community-by-community basis annually.

There are three important elements in the delivery of this program: innovative product development, target marketing, and borrower education and counseling. Within this strategy, we have developed a comprehensive array of

products and services we feel are making a difference. These products include specially designed home mortgage, home improvement, small business lending, and other programs with one central theme, flexibility. Examples include our two community investment mortgage products which are detailed in the written testimony I have submitted and our child care development loan fund.

So far this year, we have made more than $45 million in loans to low income Americans through our mortgage products and over $3 million in loans to fuel critically needed child care capacity directly benefiting small businesses as well as low income and minority children. We don't plan to wait for minority applicants to come to us. To encourage more applications, we expect to spend more than $2 million this year in advertising and outreach to market our community investment products. When we made our $10 billion commitment, making capital available was just one of our challenges. To that end, we believe borrower education is the single greatest tool for overcoming socioeconomic barriers to credit.

As part of our overall program to educate our low income customers, we teamed up late last year with the NAACP and pledged more than $1 million to open five community development resource centers across the South. This partnership is unprecedented. Five pilot resource centers, to be located in Atlanta, Austin, Charlotte, Columbia, and Richmond, will provide credit counseling, technical assistance, outreach, and policy consulting. Based on its success, we expect to extend this program to its fullest extent possible. We are also undertaking initiatives inside the company as well. One way to overcome the many challenges we face is to maintain a diverse employee base. On average, minorities comprise 22 percent of these markets. At NationsBank we are working hard to meet and surpass that level of diversity. We actively recruit and support minority associates within our company. We have been particularly successful in attracting minority candidates into our management training programs. At this point in the current recruiting year, our management training program is comprised of 21 percent minority candidates. In addition, by June 30, we will have completed a corporatewide training project which will educate our entire lender and branch associate base about our entire community investment program, as well, we hope, to sensitize them to further markets we are trying to serve.

Our position is fairly straightforward. Lending disparities exist. They contribute to racial tension. While they may or may not be rooted in the challenges I have outlined, we at NationsBank believe it is unacceptable to ignore these disparities or to consider them someone else's problem. We have led and will continue to lead our industry in the pursuit of change. The innovations we undertake have and will produce results. While we are proud of the programs we currently have in place, we know that our work has truly just begun. Mr. Chairman, at NationsBank we have a deeply held dedication to both the concept and the reality of investing in all the communities we serve. Simply put, our prosperity is tied directly to everyone's prosperity. We absolutely can't survive if our communities don't grow and prosper, and we fully understand that. This concludes my testimony. Once again, thank you for inviting me. I'll be glad to answer any questions.

CHAIRPERSON FLETCHER. Thank you for coming.

MS. BOOKER. Mr. Fishbein.

Statement of Allen Fishbein, General Counsel, Center for Community Change

MR. FISHBEIN. Thank you, Mr. Chairman and members of the Commission. I appreciate the opportunity to be able to testify here today. My name is Allen Fishbein, and I am general counsel for the Center for Community Change, which is a national nonprofit organization based here in Washington, D.C., that provides research and technical assistance to community-based organizations in primarily minority communities throughout the United States. The focus of our work is on community development, and my own particular area of expertise is in the area of community reinvestment and fair lending enforcement.

The L.A. riots were a brutal reminder that for many people, civil rights and economic rights have failed to come together. Even worse, they dramatically demonstrate the social costs of writing off neighborhoods and people who believe they do not have a stake in the fabric of

society. Many African Americans felt especially victimized by the King verdict. For them, the verdict was the latest manifestation that being black in our society often means living under a different set of rules from whites. But there are other examples and perhaps more insidious examples. One of them is in the area of community disinvestment and lending discrimination, which is still prevalent in our society.

Access to credit is the lifeblood of neighborhoods and the ability of Americans of modest means to improve their economic status. Without mortgages and home improvement loans, housing deteriorates, and hardworking Americans aren't able to purchase their own homes. Without loans for small businesses and economic development, wealth and jobs leave neighborhoods. It has been nearly 25 years since the enactment of the Fair Housing Act, making all aspects of housing discrimination illegal. Unfortunately, strong evidence continues to suggest that racial factors influence the flow of credit in our nation's cities.

For the past decade, studies have found that banks and savings institutions are far less active lenders in minority neighborhoods than they are in white areas. Last October, using data provided under the expanded Home Mortgage Disclosure Act, the Federal Reserve Board released results of its own analysis showing that minorities are rejected for mortgage loans more than twice as often as their white counterparts. Even more disturbingly, the study found that even poor white applicants are more likely to be granted a mortgage loan than wealthy black applicants. Most of the attention of this Fed study has focused on the disparities and loan rejection rates between minorities and whites. However, the study also found a dramatic drop-off in applications received from minorities and from residents of minority neighborhoods, compared to their white counterparts. The Fed reported that of the nearly 2 million conventional loan applications received in 1990 by banks and savings institutions in urban areas, only 90,000 or 4.5 percent of these loan applications were from African Americans, although blacks represent 12.3 percent of the general population in urban areas.

Similarly, the data showed that racial minorities, as a group, are underrepresented even among applicants for mortgage credit. Applications from all minorities comprised only 305,000 loan applications or approximately 15 percent of all the conventional loan applications made in 1990, compared to the 23 percent of the general population they represent. The data used by this study, perhaps, and I would agree, does not prove conclusively that rejection rate disparities result from discrimination. Yet, the statistical disparities are so striking and so consistent with a generation of earlier research that it raised the quite reasonable question about whether discrimination is occurring in the mortgage loan approval process. The disparities are alarming, of course, whether or not they are caused by illegal discrimination, or the lack of marketing, or the lack of effective credit products, or even resulting from legitimate factors that lead to the turndown.

CHAIRPERSON FLETCHER. All of the above.

MR. FISHBEIN. Or all of the above, right. They suggest a need for a more aggressive role for government to insure that fair opportunities for home ownership exist. Unfortunately, the policing of the Nation's fair lending laws is far from adequate. After two rounds of oversight hearings on the subject, Senator Alan Dixon, who chairs the Senate Consumer and Regulatory Affairs Subcommittee of the Senate Banking Committee, summarized the state of the fair lending enforcement this way, "The problem is not lack of laws. It is lackluster enforcement." Similarly, there appears to be a significant gap in the availability of credit for small businesses, especially for those located in poorer, minority neighborhoods. Without access to capital, there can be little opportunity for those who would become stakeholders in their own community. Yet, low income minorities have the same need to purchase food, drycleaning services, and pharmacies where they live as do residents of suburban communities. Locally owned businesses are essential to enable consumer dollars to be recycled back into the community, as happens in middle income communities. The all too painful reality, however, is that pitifully few such locally owned businesses exist in neighborhoods like south central Los Angeles. Tragically, the frustration about the lack of locally owned enterprises seems to be taken out on shopkeepers who do not live in the community. The owners of these businesses in places like south central L.A.

tend to be Asian immigrants. Like generations of ethnic proprietors before them, they live elsewhere, they send their children to school elsewhere, they employ nonresidents, and they take money out of the community. At the same time, recent studies suggest that, although some sectors of the small business community have sufficient access to credit, financing problems exist in submarkets, such as start-up businesses and minority-owned businesses.

Commercial banks continue to remain the single most important external suppliers of financing for small businesses. It is particularly true for minorities, who tend to have less personal wealth and less family wealth at their disposal to start new businesses. These institutions are especially critical to blacks wishing to start their businesses, and yet the loans are not there. The Federal Community Reinvestment Act was created to encourage banking institutions to meet the credit needs of local communities in which they are chartered. Although CRA was originally intended to serve as an antiredlining tool to address problems associated with mortgage and housing credit access, banks can also meet CRA requirements through small business lending and commercial lending. However, the Federal regulators need to give much greater emphasis to small business lending areas in weighing the community reinvestment records of the financial institutions they supervise.

I just want to close with a couple of quick recommendations for action we believe is necessary at the Federal level. We made some of these same recommendations to a subcommittee of the House Banking Committee just several weeks ago. Number one, we believe that the fair lending laws need to be enforced and that enforcement needs to be strengthened. We suggest that an independent regulator be given the primary responsibility for enforcement because the existing banking supervisory agencies have consistently shown a disinclination to effectively enforce the law. Secondly, authorize funding for the establishment of a fair lending audit program to use testing, which has been quite effectively used in the sales and rentals of housing but has not been used in any systematic way for lending discrimination, as an effective enforcement device. The Federal Reserve Board last September, when they already had the results of their October study at hand, rejected a recommendation from their own Consumer Advisory Council to do a demonstration testing program. We think it is unlikely the regulators will engage in this kind of activity without explicit direction from the Congress. Thirdly, all mortgage banking companies should be supervised by HUD on a regular basis for fair lending enforcement purposes. That is something that does not exist at the current time. Lastly, all mortgage lenders should be required to publish their written underwriting and mortgage loan criteria so that a potential consumer would have access to them and compare their own experience against the stated policies.

Now, in the second area, the small business lending area, which admittedly is more complex, number one, we recommend that large banking institutions be required to publicly disclose, on a geographic basis, where they make their small business loans. That is information that currently does not exist. Secondly, that there be Federal support for the establishment of community-based and minority-owned financial institutions to serve the needs of minority communities. Thirdly, there is a need for Federal support for special incentives, which I would be glad to go into some more detail about later, to encourage banks to lend to minority-owned businesses in specified communities. This concludes my testimony, and I, too, will be glad to answer any questions you have.

CHAIRPERSON FLETCHER. Thank you very much.

MS. BOOKER. Mr. Tidwell.

Statement of Billy Tidwell, Director of Research, National Urban League

MR. TIDWELL. Good afternoon, Mr. Chairman and distinguished members of the Commission. I am Billy Tidwell, director of research for the National Urban League. On behalf of the league and its president, John E. Jacob, I first would like to express my gratitude for the opportunity to testify before you on a matter of supreme importance to us all. Also, I am pleased to add my own commendation to the Commission for undertaking these hearings and the larger racial tensions project.

Further and most important, I must acknowledge a sense of reassurance in the Commission's

affirmation that the problem before you is a national problem that requires a national agenda for remedial action. As you know, the National Urban League, since its inception, has been in the vanguard to improve race relations, driven by our overriding mission to promote equal opportunity for African Americans and other disadvantaged groups. In this connection, we have been deeply distressed by telling signs of regress and retrenchment that have emerged in recent years. As fate would have it, your present inquiry could not have been initiated at a more propitious time. I am referring, of course, to the horrifying events in Los Angeles and elsewhere following the verdict in the Rodney King case. These events have thrust the issue of racial and ethnic relations squarely to the forefront of contemporary public policy debate. In this regard, Mr. Chairman, I want to make two explicit points.

First, the Rodney King case and its aftermath are products of a complex of forces and conditions that did not originate overnight. All of the elements were there, preexisting and longstanding, to fuel the explosion. They are still there in south central Los Angeles, and numerous other places, simply awaiting another spark. The following quotation is apropos of the situation we face. "In some sense, we might consider ourselves fortunate for having survived the urban rioting that so threatened this society and its institutions, but we paid a heavy price. No research methodology exists which is able to estimate fully just how great the price was. One does not need precise statistical techniques, however, to know that we cannot afford it again. The world has changed tremendously since the last fire was extinguished in Charcoal Alley, and so have our needs as a Nation in the modern era. There is no more crucial priority than to eradicate the conditions of institutionalized racial injustice that continue to disadvantage the African American population." Those words are from a report released by the National Urban League in 1990, entitled, *The Price: A Study of the Cost of Racism in America.*

One chapter of the report, addressing what I call "sociopolitical costs," analyzes the 1960s riots. In the same place, there is this statement: "As the 21st century approaches bringing new demands and challenges, it is essential that there be more public understanding and appreciation of the cost of racism. For under present conditions, the problem of racism goes well beyond the moral imperative to do the right thing. It has become an urgent matter of national security. Consequently, we must decide, as a Nation, whether we can continue to pay the price. We must decide, as a Nation, whether it is time, finally, to balance the ledger of racial justice." Frankly, Mr. Chairman, when I wrote this report, I did not imagine that less than 2 years later, I would be faced with the prospect of doing a sequel with an even more disturbing scenario. I did not imagine that, a generation removed from the cataclysms that occurred in my own hometown, Watts, in Detroit, even the Nation's capital, that we would find ourselves overwhelmed by an even more potent outburst of urban violence than occurred in any of these earlier episodes. I did not imagine that I might be at this moment agonizing over the very real possibility that the cumulative cost of racism has plunged our democratic system headlong into bankruptcy.

Thus, my second point, Mr. Chairman, reinforced by the current crisis, is that few problems are a greater menace to our national security, to the general welfare, and the common good than the growing specter of racial and ethnic conflict across the land. The abject treatment of African Americans and other disadvantaged racial and ethnic minorities remains at the center of the predicament. Mr. Chairman, it is my firm conviction that this Commission, in its wisdom, informed by observations made during the racial tensions investigation, and by the substantial body of related information previously at its disposal, must step forward more assertively than it has ever before. You must champion the proposition that concluding the unfinished business of racial justice is vital to the national interest. You must vigorously promulgate the view that the persistence of group-based disadvantage is a perilous circumstance. You must enlighten white America to understand that social stability is not a condition we can take for granted, as it must be pursued and preserved through public policies that are recognized as equitable and just.

I will be submitting for your consideration a separate statement that examines in detail the

socioeconomic factors that have contributed to the recent resurgence of racial and ethnic tensions. Also, I have made available to the Commission copies of the above-referenced report and a few other Urban League documents that are germane to this issue. I will use my remaining time to highlight a few key points.

Many of the domestic problems gripping us today, including the rising incidence of intergroup conflict, have been occasioned or aggravated by the interplay between some farreaching economic and demographic changes. These developments have yet to run their course, and we all are challenged to manage them more wisely and productively than has been the case to date. The economic changes are spearheaded by a sharp decline in the Nation's productivity and competitiveness, within the context of an increasingly competitive global marketplace. The average American has been keenly affected by these circumstances. Family incomes have stagnated. Real wage growth of the typical American worker has slowed. Standards of living have spiralled downward. At the same time, we have observed a widening disparity between the "haves" and the "have-nots" as income inequality in this country has reached record levels. All of this bespeaks fundamental weaknesses in the U.S. economy, and our failure to make the investments necessary for sustained economic growth and prosperity. In particular, our economic woes represent part of the price of having neglected the needs of disadvantaged populations and communities. Even the current economic recession, so pervasive and protracted in the hardships it has caused, must be understood as a manifestation of past failures and present inadequacies in securing the Nation's economic well-being. These observations are elaborated upon in the National Urban League's report, *Playing to Win, a Marshall Plan for America,* which is included in the packet compiled for this hearing.

The adversities to which I have alluded are especially pronounced in the Nation's urban centers, as many of these places have been devastated by the loss of business and industry, as well as the exodus of middle and working-class taxpayers. They are left with a broadening constellation of social and economic problems, escalating human needs and difficult, if not impossible, budgetary choices. Moreover, the situation has been compounded by precipitous reductions in Federal assistance to States and localities. In the meantime, Mr. Chairman, the racial and ethnic composition of the Nation has changed irreversibly, spurred by immigration and the differential natural growth rates between the white majority and racial and ethnic minorities. According to the Bureau of the Census, the African American population in the U.S. grew by 13 percent between 1980 and 1990. In the same period, the Hispanic population jumped by 53 percent, while the number of Asians and Pacific Islanders skyrocketed by 108 percent. The growth rate for white Americans was a mere 6 percent.

While we might favor the increased diversity in principle, the reality is that our struggling economy is not conducive to understanding and acceptance. The reality is that we have an economic environment that fosters intergroup tensions and conflicts between whites and minorities and increasingly, among minority groups themselves. Examples abound, but I would draw particular attention to the escalation of racially motivated attacks involving African Americans and whites, and a surge of antagonism between African Americans and Koreans. All are disquieting commentaries on the deterioration of the world's preeminent pluralist democracy.

Again, the democratic revolution and its adverse consequences are playing out most dramatically in urban areas, where new immigrants compete with established minority populations for limited economic opportunity, and where white America has perfected the practice of neglect. South central Los Angeles exemplified this combustible interaction between economics and demographics. On the economic side, the profile is all too familiar: low income levels, high unemployment rates, widespread poverty, a high incidence of dependency on public assistance, and so forth. Of course, in Los Angeles as elsewhere, there are deep disparities in economic well-being by race and ethnicity.

The statistics to note are lack of economic opportunity and the persistence of racism and discrimination in our social and economic life. Demographically, the transformation in south central Los Angeles in the past decade has been remarkable. For example, in 1980, African Americans accounted for 75 percent of the residents of Watts, while Hispanics were 14 percent.

By 1990, these proportions had changed to 58 percent African American and 43 percent Hispanic. (Persons of Hispanic origin may be of any race.) Thus, although African Americans are still a majority of the population in south central Los Angeles, the Hispanic presence has seen a prolific expansion. It is worth noting, also, that the number of Asians and Pacific Islanders in the broader Los Angeles area is now nearly 1.4 million, as their growth rate has surpassed by far that of any other racial or ethnic group. Mr. Chairman, I will simply repeat that under these conditions, in an environment characterized by economic disadvantage and record population shifts, there is high potential for conflict and violence. The National Urban League has recently completed an indepth field study of the interracial violence phenomenon, and I will share the principal finding with the Commission in my detailed statement. However, I will say here, that the evidence confirms the risk we face.

So how do we reduce the risk of further social and economic degeneration? What types of public initiatives are required to boost progress toward our shared ideals? No one has all the answers. Certainly, I will not sit here and presume to offer the solution. The problem is immensely complex, and the forces that feed into it are formidable. Nonetheless, I suggest to you with utter confidence that one salient prerequisite for progress is a concerted program of economic revitalization. Somehow, we must reinvigorate the national economy with particular attention to conditions in our urban centers. Somehow, we must eliminate the longstanding economic disadvantages experienced by African Americans and other deprived minorities. Somehow, we must offer hope to the needy within a broader strategy of brightening the economic future for us all.

Of course, the National Urban League supports the bipartisan effort by the President and the Democratic and Republican leadership in Congress to pass the package of urban aid initiatives that will provide immediate relief to riot-torn Los Angeles and funding for several community development programs. At the same time, however, we are thoroughly convinced that a more comprehensive, long-term approach is necessary to move the entire Nation forward, an approach that addresses root causes as well as symptoms of our economic problems. Such a plan would recognize the compelling interdependency between our needs as a nation and the needs of those who have been relegated to the margins of the economic mainstream. The National Urban League's proposed *Marshall Plan for America* speaks to the essential requirements. Since information about the proposal is being distributed to the Commission, I won't expound upon it here. Suffice it to say that the proposal is timely, forward looking and well-grounded in the American tradition of cooperative enterprise.

I close this testimony by quoting from John Jacob's overview article in the League's latest *State of Black America Report*. "The state of black America in 1992 mirrors the state of the Nation as a whole in many ways, a Nation caught in a tangle of recession and racial disadvantage, but poised for a real breakthrough if America's leadership rejects racial divisiveness, and adopts policies that can revive our economy and create opportunities for all." Mr. Chairman, in light of the events during the past 3 weeks, it is my fervent hope that we will get on with the serious business at hand—promoting opportunity, achieving racial justice, and tapping the positive potential in our growing racial and ethnic diversity. The time really is now. Thank you for your attention, and of course, I would be happy to answer any questions.

CHAIRPERSON FLETCHER. Thank you very much. Let me say to this panel that I particularly waited for your presentation. I am going to have to leave shortly to go to the Hill to talk to Senator Riegle, the Chairman of the Subcommittee on Banking, Finance and Urban Affairs. I particularly wanted to hear this panel before going to the Hill with my colleague, Mr. Russell Redenbaugh, because we are going to talk about the Community Reinvestment Act. My testimony before that committee last week dealt with the Community Reinvestment Act, and Ms. Bessant, you should know that I mentioned your bank, in particular, as well as the Bank of America and the merger that they just put together.

You should further know that I was with a group of blacks and one Hispanic that met with the President the day after the riots got underway. While several of the other individuals talked about different social programs, my remarks were held strictly to the Community

Reinvestment Act. I told the President that I would urge him to call the Chairman of the Federal Reserve Board, Mr. Greenspan, and as many of the Governors that he could get to come to talk about the potential of the Community Reinvestment Act as a remedy, or as the instrument that may hold the remedy of serious economic development in depressed neighborhoods throughout the country, whether it is a Hispanic depressed neighborhood, black depressed neighborhood, or what-have-you.

When the Staff Director and others told me that you had committed to coming and that you, sir, Mr. Fishbein as well as Mr. Bates, I thought I will wait and hear what they have to say because, in my testimony, I had suggested to the Chairman of that committee that I would be back with specific recommendations as to the kind of legislation, amendments to existing legislation, that would make that act the instrument of hope, reasonable hope—it is a banking term—reasonable hope that it ought to be.

I am interested in your specific recommendations, because that is what Russell Redenbaugh and I are going to be making in a very few minutes when we go to the Hill. They have agreed to meet with us privately to talk about the Community Reinvestment Act and what ought to go into it to make it work. I am going to ask you some specifics in a few moments, but I want to make another observation. I, too, saw the Korean gentleman on television making the statement that black Americans are lazy and that they are shiftless and that they are worthless and less than ambitious, etc. I said to myself, "What a tragedy. What a social tragedy to begin with in that he was so unknowing of black history in this country."

If he had known all the facts, he would realize that black Americans didn't take the chains off until 1864, 1865, and that is all that came off, just the chains. We were not welcomed into this society until 1964, and we weren't welcomed even then. We passed the 1964 Civil Rights Act that said we are not only members of the human race, finally, but members of this society. For the Korean gentleman's information, he ought to know that technically speaking, we have only been citizens 37 years. Let me say that again. Technically speaking, we had to get voting rights on the books before we could really consider ourselves eligible to be elected to public office. If you take a look at the record, the number of blacks who were in office when this agency came into existence in 1957, when this agency was created, was four.

Today we have 25, and the projection is that there will be 35 before this decade is over. If you look at the number of black superintendents in schools at the time this agency that I run was created, it was none. Today it is close to 200 some. I can run the record down. Also Hispanics have made tremendous gains as well. They, too, were not really considered citizens of the country until the 1964 Civil Rights Act. I challenge anyone who thinks that blacks are lazy, that blacks are shiftless, that Hispanics are lazy, that Hispanics are shiftless, I challenge anyone to show me anywhere on the face of the earth the gains that minorities, Hispanics and blacks, have made in a mere 30 years. I challenge anybody to show me anywhere on the face of the earth that that has happened that fast. It is a tragedy, again, that the Korean gentleman didn't know that.

If, for example, that same gentleman were to go out to Columbia, Maryland, and go into business in the Running Brook neighborhood, what he would find there is anything but shiftless, worthless blacks. What he would find is two-income families earning $75,000 to $100,000 a year, just as ambitious, just as hopeful for their children, and just as committed to making a contribution to this country as anyone. The tragedy is they went into neighborhoods that were downtrodden with people who were poorly educated, and they want to use that as a profile for black America. It is sad because that is not a true profile, and one of the things I am trying to get them to understand when I go back out to California is that they need to understand that there are other blacks, who have fought like cats and dogs to get to the top, whatever the top has been for them.

Let me make one more statement here because I think we have to get this straight. The suggestion that black Americans and other minorities would rather have a job than a business of their own because of their education is a rumor. The real tragedy is that our education system taught everybody in this country to go to work for somebody, blacks included. White

people don't know how to go into business. Let me say that again. White people don't know how to go into business. Youngsters that graduated from school with me 50 years ago were not taught to go into business. We were taught to get ready to serve government and to go to work for some major corporation, not run it, just serve it. Right now, at the business school where I am teaching at the University of Denver, we are just now beginning to teach white youngsters how to get a business degree and go into business for themselves. Most of them want to go to work for somebody else. America, in spite of the rumor that we are a great entrepreneurial country, the hard, cold fact is that it ain't true. We are just not learning how to educate people to go into business, as opposed to working for somebody.

So the idea is that when the Asians come in from the different parts of the Pacific Rim countries, most of the time the business they run is their welfare system. They take care of the whole family out of it. I admire them for that. I don't know too many American entrepreneurs who want to take care of their whole family out of their business. Most folks that run it want to take care of the immediate family, not the cousins, not the uncles, not the grandparents, nobody else, just the immediate family. It is a cultural learning for all of us that a small business can be the welfare system for the extended family, that it can provide them all the jobs, the opportunity to go to school, the whole thing. When we get that learned, we may become an entrepreneur nation, but we are not now. We talk a good entrepreneur game, but we are not very good at it. Most of white America is learning it right along with us. They don't know how to use the Small Business Administration either. So when we do this research, let's take a good look at all of it.

I will make one more point. There is the rumor that the black businesses don't believe in employing the whole family. But if you take a good look at black mortuaries, for example, in this country, you will find that they have been in the burying business for years, from one generation to another. If you look at the barber business, if you look at the hairdressing business, if you look at any of those personal services businesses, you will find they have been handed down from one generation to another for years. The idea that this family thing is kind of unique and only to them in particular is not quite true.

The banks, if you take a good look when you start making some of the loans out of your Community Reinvestment funds, you will be surprised at the extent to which businesses have been handed down from one generation to another in the black and Hispanic communities. We know a little bit about that also, and I hope it will help you when you start implementing your programs. I am going to the Hill in a few minutes, and I am interested in incentives. You had said in your testimony, Ms. Bessant, something about incentives and something about just obeying the law as opposed to recognizing that there is a market out there and money to be made. Would you expound on that a little bit, for me, please?

MS. BESSANT. Sure. First of all, the demographics of our market, themselves, tell us that there is money to be made. Sixty percent of the households in the markets where we do business have incomes of less than $25,000 a year, so to us, we have got to have innovative products and programs. Otherwise, we will miss 60 percent of the business opportunity that is in each of our markets. Now, whether or not the existing legislation has incentives in it is the reason that I said that we necessarily have to go beyond it because it clearly doesn't. The problem that we see with the existing legislation is that it focuses on process, rather than on results. In other words, the regulators, when they come into our organization, spend as much, if not more, time looking at, like someone else said, how much paperwork there is, how much direction our board of directors gives to us, how much or how well we understand community needs, in contrast to having a good solid look at what the results are. I believe that the reason for that is that there aren't objective standards for measurement in the legislation as it exists today. In other words, our regulators do what they do because they have no choice. They have no means by which to give us an A, B, C or D because there aren't objective standards of measurement in the law. I am speaking for NationsBank, of course, today, not for banking institutions as a whole, but our bank advocates very strongly objective standards of measurement in the law.

The second recommendation that we would make is some relaxed safety and soundness guidelines. I think one of the points that I made in my testimony is that many times we want and need to make loans that our regulators then help us to classify as not good loans, not because they are not good loans, but because they look different than the traditional, standard, easy-to-do, strong, profitable loan. We have found, in fact, that our community development lending portfolios perform as well, if not better, than our general market portfolios. The problem we have is on the classification side because they look different than the standard form of lending.

COMMISSIONER BERRY. Mr. Chairman. Since you said you were going to go to the Hill on this, I would like to ask her two questions about it before you go.

CHAIRPERSON FLETCHER. All right.

COMMISSIONER BERRY. In your testimony, Ms. Bessant, you emphasized that socioeconomic factors are the reason for this data which appears to be race discrimination. I am just worried that the Community Reinvestment Act is not going to do what we want it to do if you and others who run these operations do not understand what the data seem to show. You then pointed out problems with unacceptable credit and problems with the regulators saying that they don't look like good loans and so on. We are all aware of the high rates of banks closing, primarily because of bad loans that were made in their portfolios in the last few years, and I am surprised that Mr. Fishbein didn't mention this.

In none of those cases that I am aware of was it because they gave too many loans to poor black people who were poor credit risks and who, therefore, didn't pay their bills, and that this caused the banks to have to close. We are all aware of it. The numbers are available as to how many have been consolidated. I think your bank has absorbed some of them. In fact, the records show that a lot of those, and we have had banks right here in Washington that closed, like the National Bank of Washington and so on, which indeed, had huge portfolios of bad loans. They were not poor black people who were credit risks and who, therefore, were unacceptable and this is why the loans went sour. So that the record that this data shows of blacks not getting loans, there is no relationship between the two at all. That record, which the Federal Reserve Board reported on, was generated off the portfolios that the banks had available at that time, and these were not sour loans from poor black people.

Now if you continue to believe that, and the way you characterize the problem, and I don't mean you, personally, but the people in the banking industry, as "We would do more, but we have got all these problems because they are just poor credit risks and so on," and you don't understand that you were not serving a particular racial group, however you characterize it, socioeconomically or demographically, it means that you won't do any better. The reality of what loans went sour, what the constraints were, what was in the portfolio, mitigates against any argument that there was no variable concerning race in the data that was demonstrated. I would like your comment on that because I think we need to work on that if we want this act to work.

MS. BESSANT. I think we have been very clear in acknowledging that the data showed disparities in lending by race, and again, I am speaking for NationsBank, but we have really, from the start of the time that we have commented on these numbers, talked about the legitimate issues that they raise. Now we have done extensive analysis of the data, and what our analysis shows is that the correlation that appears to exist on the surface between the 2:1 decline rate and the conclusion of racial discrimination is not borne out by the evidence. When you get in and analyze the data, credit history is the reason for credit decline in over 49 percent of our loans. When you break credit history down by race, twice as often, a black applicant is likely to have a poor credit history as compared to a white applicant. When you hear me talk about education programs and creative ways of looking at income, and you will see that in some of the testimony that I have left with you, that is all designed to overcome that socioeconomic barrier that does relate to race, but does not relate to a biased lending decision.

COMMISSIONER BERRY. I am not making myself clear. To sharpen my point, when you look at the loans you did make—not the loans you didn't make—many of which went sour, what were the credit ratings of those folks compared to the ones you denied that were, in fact, poor, black folks or black folks who didn't have good credit rating.

Some of those people must have had either credit rating problems or some kind of history or something. The evidence is that their loans went sour in huge numbers, which has caused a tremendous crisis in the banking industry and is one reason why the regulators have been so harsh in response to public comment about what happened.

MS. BESSANT. I was about to address that point. Make no mistake about it. We are not saying that the regulators are asking us to make bad loans. On the other hand, the Chairman asked me to address what I thought might be disincentives in the system, and what I can tell you is that to make that $45 million in mortgage loans this year, we have had to go far beyond what our regulators classify as truly safe and sound loans. I was in a meeting yesterday and listened to the Fannie Mae guidelines for what loans they will purchase. They won't go over an 80 percent loan-to-value in making those loans. To get to $45 million, we had to go to 95 and 98 percent loan-to-value to make the loans. Our mortgage products, and I would be happy to leave you with more information, are such that we can't find a buyer in the secondary market for those loans because, in order to meet the need, which is what we are all about, we go far beyond what either our regulators or the secondary market would label as traditional.

Don't get me wrong. We don't do that because we think we are making a bad loan. On the other hand, we think we are using credit criteria that are much more reflective of the special markets that we are trying to reach. We think we are doing the right thing, and we know from our experience that it is good business. What I was addressing were the disincentives that exist in the system as they relate to how those loans get classified.

COMMISSIONER BERRY. I understand that. Mr. Fishbein also pointed out that poor whites get loans more often than do blacks. Also on this subject, we might keep in mind as a Commission, that we did a study in Baltimore, when we did the Baltimore hearings, and we had testimony from people in the bonding business, who under oath testified that blacks who had even better track records than whites in the construction industry still had to pay higher bonding fees because it was the history of charging them higher fees. And they just kept on charging them that. They didn't care whether they had better records or not, which makes me wonder whether in the banking industry, contrary to the notion that black borrowers somehow have less credit worthiness or something, this data about poor whites getting loans even more often than blacks might make us a little bit suspicious.

I am only pointing this out, Mr. Chairman, because if we expect the Community Reinvestment Act to do the kinds of things that we would hope it would do, if the banking industry is operating under some assumptions which don't make any sense, and it will not analyze the data in a way that informs them that they may be doing something on the basis of race that they shouldn't be doing, then the problem seems to me to be worse than we think it is, and it may require some different remedies. That is the only reason why I intervened to ask it at this point, and I wanted to do it before you left.

CHAIRPERSON FLETCHER. That's fine, Commissioner, and I think it is worse than we think it is. That is one of the reasons I am going to talk to the Chairman. I might also add that, because of Freddie Mac's and Fannie Mae's mortgage purchasing factors in purchase of only certain portfolios, we want to call them together and have them testify about the rationale for the way they go about it. They do get Federal guarantees. They are using tax dollars from minorities and women and others—they are using our tax dollars to guarantee their purchasing policies that exclude us. So we intend to hear from them, too, and I would like to hear more about that particular problem, because, I want an explanation as to how they go about using our tax dollars to get guarantees, but then turn around and say, "There are certain neighborhoods and certain houses that we just won't buy, marketing packages that we won't buy." Nevertheless, the person living in that house is probably paying her taxes or his taxes and can't get the benefit they are entitled to. We want to hear from them, too. So we are not really out to start a war. We are out to try and find out how we can achieve what has to be achieved without the war. But if we have to have a war, then we'll engage that, too.

MS. BESSANT. If I might make the comment that what we have said is that regardless, and

what I said in my testimony, is that regardless of the causes for the disparity, whether we accept that they are racially motivated or you buy my analysis about credit history, forget the causes. We believe at NationsBank it is our responsibility to find creative ways to overcome them, regardless of whether we can sell them in the secondary market, and forgetting how our regulators classify them. But there is no question that it takes innovation and that it takes reform to the Community Reinvestment Act if you expect that to happen on a legislative basis.

CHAIRPERSON FLETCHER. All right.

VICE CHAIRPERSON WANG. Ms. Bessant, I just hope that you don't take it personally. Yesterday I was at a function in New York with the regional SBA Administrator speaking to a small business award luncheon, and he made a plea to all the banks in the audience: "We are providing the guarantee, but you are still not making loans to the minority businesses. You have a Federal guarantee and the banks are not making loans." Can you comment on that?

MS. BESSANT. In the markets where we do an extensive amount of SBA lending, and for us those States would be Virginia, Tennessee, and South Carolina, the process seems to work very well. In terms of banks getting started on SBA lending, there are a couple of problems. First of all, the SBA manages on a regional basis. So a bank like mine that is national in scope has a very difficult time operating with 12 to 15 to 16 varying sets of parameters.

The second reality about the SBA is that, in large part, their lending criteria are very similar to traditional bank lending criteria. That is in response, I believe, to a lot of the criticism they have gotten about the quality of their loan portfolios. But from a NationsBank perspective the SBA guarantee does not always allow us to go beyond making loans we would otherwise make ourselves.

VICE CHAIRPERSON WANG. I just want to comment on your various points. If you make a big loan—like in New York, the largest development firm just went bankrupt and took in some huge portfolio of many banks—if we were to take the loss, the potential loss in that transaction, and take how many small businesses would that loan have actually helped, I don't think 1 in 10 or 1 in 100 would have been, I think, in that kind of a risk situation, in comparison. I don't know.

MS. BESSANT. I think we would agree with you. I can't support an industry's failure to do community development lending based on previous problems we have had in other sectors of our market.

CHAIRPERSON FLETCHER. I have one other question for you. Out in Denver where I am living and teaching right now, because of the 1980s, half the folks in Denver have got bad credit records. How do they get back? What are the banks doing to let those folks back into the credit market?

MS. BESSANT. Interestingly enough, I am from Texas, and due to the 1980s and the 1990s, a lot of the folks there have the same problem.

CHAIRPERSON FLETCHER. Okay, tell me about it, please.

MS. BESSANT. What we are doing is making changes in the way we evaluate credit history. For example, in the past we would have looked at 7 years of your credit history to make a mortgage loan. With the community investment mortgage products that I discussed, we look at a year to 18 months of credit history, and in fact, use the completion of credit counseling courses to offset negative credit history. So to the extent that we walk what we talk, which is that we believe that borrower education is the key, if we have got a borrower who will go through education, we will overlook quite a bit on their credit report. The other thing that is really important is that we have made a decision not to rely solely on third party credit bureau analysis.

CHAIRPERSON FLETCHER. Thank God.

MS. BESSANT. What we do within those products, and again, it is in your written testimony, is look at rent payment, utility payments, telephone bill payment, so that the payments are comparable. In other words, the payments that our consumers will make first because they are critical to their survival, which also compare very much to the way they pay their mortgage payments, are the payments that we look at in evaluating their credit history. So I think that there are institutional ways to get around it if we have got banks that are willing to do that, but make no mistake about it, the Community Reinvestment Act does not legislate that type of behavior.

CHAIRPERSON FLETCHER. How are the regulators responding to that kind of creativity?

MS. BESSANT. In general, they respond very favorably. Those are the examiners, of course, who come in and evaluate our CRA performance. Our safety and soundness regulators are waiting anxiously to see how those loans perform.

CHAIRPERSON FLETCHER. All right. Mr. Fishbein, you have got lots of information. I can see it in the file there.

MR. FISHBEIN. Well, there are a lot of very perceptive remarks from people, including yourself, Chairman Fletcher, and the other Commissioners, that are on the table, and I don't know quite how to respond, but I do want to make a couple of points. The first one is to really encourage you to distinguish between the Community Reinvestment Act and fair lending enforcement.

CHAIRPERSON FLETCHER. All right.

MR. FISHBEIN. As someone who has worked with community groups, probably trained as many community groups as anybody else on the uses of the Community Reinvestment Act, I believe it is a very important and effective tool. I have always gone to great lengths to distinguish that law from the the Fair Housing Act and the Equal Credit Opportunity Acts. I think that becomes particularly important now because there is an effort, even among the best-motivated banking institutions out there, that to the extent that there are disparities in lending, that is a CRA issue. That is important because the CRA isn't requiring the regulators to do anything about it. All they rate institutions on is level of performance. That is an important factor. Now they are published so the public can get some sense of how an institution is evaluated by the Federal regulators, but it doesn't require them to do anything about it.

CHAIRPERSON FLETCHER. Define the level of performance.

MR. FISHBEIN. Well, they have a four-tiered rating system, an "outstanding" being the highest and "satisfactory" being the next, then "needs to improve" and "substantial noncompliance." About 8 percent of the banks get "outstanding." About 80 percent get "satisfactory," and about 12 percent get the two lowest grades. That represents a significant change since before these ratings were disclosed to the public—the rating disclosure began in July of 1990. Before that, about 98 percent of banks would get a passing grade. Now the figures are about 12 percent are failing. That represents a change, but I think it is important to understand that in the best of circumstances, CRA does not require the regulators to do anything about even poor performance.

Now they can use that record and take it into account the next time that bank seeks to expand and deny their application on CRA grounds, but they don't have to do that. They have only denied a handful of applications. In the close to 100,000 expansions that have occurred, there have been less than, I think, about 50 denials of expansion requests. That tool is used few and far between. Now of course you know Fair Housing and Equal Credit Opportunity Acts require a whole different reaction. If regulators find that an institution is in violation of those two laws, they can take a whole series of steps, specific civil action, supervisory action against an institution. They can refer the individual loan applicant situation to the Justice Department for prosecution. That is something that they do not do. The regulators appeared before the House Banking Committee 2 weeks ago, and they were asked by the Chairman of the Consumer Affairs and Coinage Subcommittee, Ed Torres, "How many cases of substantive violations of race discrimination did you refer to the Justice Department last year?"

Two, they think, among the four agencies. Now, even they, even the regulators, said that they do not feel confident that that reflected the true level of discrimination that was occurring in mortgage lending. But they conceded that their examination process was unable to detect a lot of that. I really encourage you to just remember that I think both tools have their place. The civil rights enforcement tools, and CRA certainly, but they are different laws, and we ought to view them very differently.

Now I think CRA certainly could be made better, and it has been plagued by weak enforcement from the beginning. The regulators have never liked the law. They have had to be dragged kicking and screaming into the enforcement of it.

In complete frustration in 1989, Congress mandated that they had to disclose their work product to the public—in an effort to use Justice Oliver Wendell Holmes' old maxim that

"sunshine is sometimes the best disinfectant," hoping that if they opened up the process, that it would provide a disincentive for the very inflated ratings that were being handed out before disclosure. It has helped, at least, to some degree, and the agencies appear to be putting more effort into it. However, there still are some real weaknesses in the examination process.

You were talking about Bank of America. I was looking at some numbers that were produced by a group in south central L.A. called Communities for Accountable Reinvestment. They looked at the 1990 lending patterns for some of the big banks in south central L.A. They found that the market share—the percentage of all the mortgage loans being made by banks and S&Ls in areas that had a less than 10 percent minority, for example, in the case of Bank of America, was 11 percent of all the mortgage loans being made. Then we have what you see is the step effect. As the area becomes increasingly minority, Bank of America's market share keeps dropping down and dropping down and dropping down so that when it gets to census tracts that are 80 percent or more minority, they are now only making 2.7 percent of the mortgage loans, whereas they were making 11 percent before.

Now, why is that important? Bank of America received a top CRA rating, "outstanding" rating, from the regulators. Bank of America, if you had them here today, would talk about some very ambitious flexible mortgage programs they have to make mortgage loans, and would talk about their affirmative efforts, but when you look at their actual market share, you realize that it does not appear to be making a difference. In contrast, there is another institution—and I am not in the business of recommending one institution versus another. I am just looking at the data—but Great Western, which is the big savings bank out in California, very active in the L.A. market, doesn't have any special mortgage loan products. They haven't said they would do anything differently, whether they are lending to minority neighborhoods or white neighborhoods. We looked at their market share. They have the opposite step effect. They have their smallest market in predominantly white communities, and they actually have a bigger market share as an area becomes increasingly minority. They go from in a 90 percent white neighborhood where Great Western would be making 6.2 percent of the mortgage loans in 1990 to an 80 percent or more minority area, where they are making almost 30 percent of all the mortgage loans without doing anything special.

I think it suggests, in part, its commitment and its effort and seriousness of seeing this as being a business market, a good way to make money. It doesn't have to be any kind of special social purpose. They are a bank that has got a pretty good return on investments. They would argue, "We can make money lending here. If the other banks aren't doing it, we are going to go in and do it ourselves." The point is that special programs, alone, may not ultimately change the picture of things unless there really is a commitment behind that.

I just want to mention just a couple of quick recommendations if you are going to meet with Chairman Riegle about CRA enforcement. I have read most of these CRA evaluations that have been disclosed to the public—about half of the banks that they examined under the public disclosure requirements. If you look at them, you will see there are very few factual details. In fact, there is something approaching a generic CRA performance evaluation. You can't even tell what community they are writing about. There are a lot of adjectives and descriptive terms about adequate performance or relatively aggressive and this and that, but very few statistics and numbers about what banks are doing. There was legislation before the Senate Banking Committee last year that would have required a standardized statistical reporting of these evaluations. Again, I don't think this is going to happen without Congress telling the regulators that we want those kinds of reports.

Secondly, I think there needs to be expanded disclosure, and I mention it in my remarks. I think the small business loan area is a critical area. There are regulations out for comment right now that will for the first time, will require banks like Cathy's and other institutions to identify in their call reports—the reports they publish on outstanding loans—a special category for small business lending. But there is nothing in there about minority business lending, for example, so there is no itemization. We are the only industrial country that does not require our banks to report detailed information about the

extent to which they are lending to the small business community, and if that information were available, it would provide the public with a better sense of what banks are doing and even help the regulators in evaluating the banks for CRA performance.

Thirdly, I would say that the administration is very supportive of it, and it seems very likely, if not this year, next year, that the banking system is going to move to full-scale, nationwide interstate branching. NationsBank has been one of the leading proponents of interstate branching. But if there are not any changes in the Community Reinvestment law, interstate branching will drastically weaken the usefulness of CRA because CRA rates how well a bank is serving, not how well branches are serving the needs of the community. Under existing law, if a bank was able to branch—as opposed to expand across State lines by acquiring other banks—it is conceivable that they can operate in all 50 States of the Union and get only one homogenized CRA evaluation, based on their record in all the communities where they have branches throughout the United States.

We would recommend that there be at least a State-by-State evaluation, so that if they branch interstate, at least you would know how well the branches are performing within individual markets. That is going to be absolutely critical. The Office of Thrift Supervision about a month and a half ago permitted savings and loans to branch nationwide without legislation. However, they didn't make any changes to CRA evaluations. Right now, if an S&L wants to branch nationwide, it is still going to get only one evaluation regardless of how many States it is operating in. The less specificity in this evaluation process, the less usefulness to the public, and even to the regulators, that they will have in really measuring the relative performance of these institutions and helping them meet community credit needs in low income areas and in minority communities.

MS. BESSANT. As an aside, we would support the concept of State-by-State ratings.

CHAIRPERSON Fletcher. One more question with reference to small banks and CRA.

MR. FISHBEIN. From what we have seen from the rating disclosure thus far, although small banks like to classify themselves as community banks, they have had a disproportionately high failure rate. The majority of all the institutions receiving poor grades have been banks with under $100 million in assets, which I think surprises a lot of people because the argument you will hear from the small bankers is, "We wouldn't be in business if we weren't serving the needs of our communities." Of course, how they define their community when you go into some smaller communities is up for discussion. I think where the issue arises is in those small communities where there may be a very segregated minority population, which the small bank doesn't consider to be part of its lending community. I think the regulators are picking up on that in their evaluations, and these banks are getting poor grades.

Also, some small banks have a very low loan-to-asset ratio, and they basically take deposits, and they invest them. They are kind of investment bankers more than they are bankers that are putting loans back into the community. I think the issue is not so much small versus large because you can find examples of good large banks and good small banks and poor large banks and poor small banks as well. The issue is whether they ought to be covered by the Community Reinvestment Act, and they have been making an attempt to get themselves exempted from the law which is something that my organization and a lot of other national housing and civil rights community groups have opposed very strongly.

CHAIRPERSON FLETCHER. Mr. Tidwell, what is this small bank thing doing to black banks? Most of them are under $100 million. Do you have any late information as to what is happening to black and Hispanic banks?

MR. TIDWELL. I don't have any late information, but I do hope to get some late information from Los Angeles, in particular, south central Los Angeles.

CHAIRPERSON FLETCHER. What do they have, four black banks out there?

MR. TIDWELL. That's right.

CHAIRPERSON FLETCHER. Are there any Hispanic banks in that neighborhood, do you know?

MR. TIDWELL. I am not aware of whether there are. In any case, our president, John Mack, out there, has been very active with respect to community reinvestment and lending

practices of financial institutions and so forth. We expect that over time he will be getting some of that.

COMMISSIONER BERRY. Mr. Bates was trying to say something.

DR. BATES. Yes, yes, one brief comment. As the topic of small business lending rightly comes to the table in the discussions of the CRA, there is an important point that needs to be emphasized. The regulators have been talking about rates of loan approval. While that might be appropriate in the realm of housing, the mere process of loan approval in small business lending is not crucial. In the data that I look at, looking at thousands of minority-owned businesses and the financing that they receive from banks, a huge problem is that among those who do receive loans, the loan approval coincides with systematically much smaller loans to minority-owned businesses.

When we control for risk factors, and particularly look at the amount of owner equity, per dollar of owner equity, the black-owned business that does get bank financing is getting less than half the loan dollars of its nonminority counterpart. The Senate has to be sensitive to the peculiarities of small business lending, and not restrict their attention merely to approval, but look a bit deeper at the issue of loan size for those who are funded.

CHAIRPERSON FLETCHER. Loan-to-equity?

DR. BATES. In terms of loan-to-equity, the typical black-owned business is getting less than half the loan dollars per equity dollar of a nonminority small business.

CHAIRPERSON FLETCHER. Anyone else?

MR. GONZALEZ. Ms. Bessant, about the programs that you have in effect or that you contemplate having in effect for minority communities in terms of what I thought I heard were innovative ways of providing finances, either mortgages or loans—if you are willing to go above the 80 percent loan value, aren't there additional fees that the applicant is required to pay or insurance coverage they are required to get?

MS. BESSANT. In general, the industry has the option of requiring a borrower to have private mortgage insurance if there is a loan-to-value in excess of 80 percent. Private mortgage insurance is not required with our product, and that is primarily because we have difficulty in finding private mortgage insurance for many of the borrowers that we would like to extend credit to. The absence of private mortgage insurance causes us to hold those loans in our own portfolio rather than sell them into the secondary market. But we find that to be acceptable in terms of allowing us to meet community needs.

MR. GONZALEZ. Mr. Fishbein, the Community Reinvestment Act, in terms of small banks, a lot of small banks argue—and I am talking about two-branch banks—argue that what they are most concerned about is the enormous amount of paperwork that they are required to carry. They say that a large bank can basically go out and hire people just to do the paperwork. They talk a lot of "in-kind" types of services that they would like defined as part of their community outreach—participation in high schools, elementary schools, reaching out to minority organizations from a civic perspective. What can you say about that?

MR. FISHBEIN. There is nothing in the statutes or regulations that requires paperwork to the degree that small banks have complained about. In fact, the OMB did a study that was released last June which shows that in the area of consumer compliance, CRA was at the bottom—requiring the least amount of institutional hours for the banks to comply with it. I think, to the extent that there is documentation required, it is really to appease what they anticipate to be what the regulators are going to want to see, rather than anything that is formally required.

There is a little funny game that goes on here, where the regulators aren't often very specific about what they want to see, but they say, "We are going to record you on what you can actually prove you have done, but we don't require you to keep any documentation." I think that is something that certainly could get addressed, but I don't think you need to examine the whole class of institutions in order to address that problem to the extent that it's a problem. Regarding the various kinds of good deeds the banks would perform, CRA was adopted to be a credit loss. We have always felt that it ought to be very narrowly defined that way, which is not to say banks can't do other very worthwhile things in their community. But the CRA ought to be about business, about making loans, and hopefully making money for the institutions, and giving

them a nudge to discover some markets that perhaps they didn't know existed before.

MR. GONZALEZ. The reporting requirement is annual?

MR. FISHBEIN. There is no reporting requirement for CRA. The only thing a bank is required to do is publish and update annually a CRA statement.

MR. GONZALEZ. But how often do they get the rating—the A, B, C, D rating?

MR. FISHBEIN. You might want to comment on it, but it does vary with the agency and the type and size of an institution.

MS. BESSANT. Typically, we're reviewed every 18 months to 2 years. I will say that the biggest misnomer out there is that CRA does not cause paperwork within a financial institution. I will give you an example of that. Three years ago, our CRA exam was conducted with one examiner for, effectively, a week. The last CRA exam that we went through had, at one time, as many as 30 examiners, and the entire exam took 6 weeks. So when you look at the man hours that go into it, I promise you they have got to have paper to look at in order to, in their minds, evaluate the process. The paperwork burden is substantial. I am not saying that that paperwork burden means that we shouldn't be subject to the CRA or that we shouldn't have to keep those records. I just think it is a misnomer to say that there is no requirement for paper because there is, in effect, that requirement.

MR. GONZALEZ. Would you support a quarterly reporting system that would just allow you to update?

MS. BESSANT. I think that there may be a misunderstanding. When the regulators come in, they look at day-to-day documentation. Internally, we produce a quarterly lending data report. They look at a series of those quarterly reports. We would welcome standardized reporting requirements in order to overcome what Mr. Fishbein accurately referred to as some confusion about what exactly it is the regulators do want to see from us periodically.

MR. GONZALEZ. Thank you.

CHAIRPERSON FLETCHER. Did you have another question, Commissioner Berry?

COMMISSIONER BERRY. Yes. I have two very fast questions. The first one is for Dr. Tidwell, and the other one is for Dr. Bates. Dr. Tidwell, we heard from one of the Governors of the Federal Reserve Board before you came up here. In answer to a question from Commissioner Redenbaugh, he said that the economy, if I can characterize it this way—manufacturing is strong in this country, that the economy seems to be doing pretty well. In the paper that he submitted, in his testimony, he talked about increasing African American incomes in the 1980s. The picture of the economy was one that was thriving.

You described the economy, as did some people before that panel, as being in big trouble, and that entry level jobs were being destroyed, and that we needed a Marshall Plan for America in order to respond to these problems. Where does the truth lie?

MR. TIDWELL. To begin with, Commissioner, it is a very complex subject matter, in which it is very difficult to find the truth. Economics is not a precise science, as we all know.

COMMISSIONER BERRY. It's a dismal science.

MR. TIDWELL. It can be slippery. Having said that, though, I am not familiar with many people who would share what I understand to be the characterization of the current condition of the American economy that you just indicated. There are some very real, some very serious indicators of the decline in the U.S. economy, stacked against other economies of other industrialized nations, and in terms of just indicators that we use ourselves to monitor where we are at a given point in time. The Federal budget deficit is one of those indicators. The rate of productivity growth is another indicator, GNP growth, and so forth.

Even aside from the current recession itself—and there are obvious signs that there is still trouble afoot, with respect to unemployment rates and those kinds of things—but even aside from that, there is a broad consensus of opinion, not universal opinion, that the U.S. economy over the past 10 to 20 years has experienced some problems that have to do with its position in the global marketplace.

There are indicators that, indeed, our standard of living has slowed down, real wage growth is slow, and those kinds of dimensions of a condition that suggest that there are some things that need to be fixed. I don't know, in particular, what kinds of data the person you

mentioned was referring to on which he based those conclusions. What I do know, though, is that there is the prevailing view that while our economy is by no means about to go down the tubes, and while our economy in many respects remains the strongest in the world—it certainly is still the biggest—at the same time, there are these disquieting signs that have begun in the current recession, at least, to permeate down to the average American household and affect our daily lives. Those are the kinds of things, those larger fundamental economic problems, that the Marshall Plan for America is designed to get at.

COMMISSIONER BERRY. Well, in particular, he talked about the strong manufacturing base in the country, and that we have technological changes, but manufacturing is still strong. The panel before that talked about the absence of entry level jobs for people who wanted to gain a toehold—I think that is the way it was put—in the economy so that they could have upward mobility. This is what many immigrants did before, and poor blacks and Latinos, for example, in south central Los Angeles and other places, would not have the opportunity to do this. Is that a particular problem that you focus on when you talk about the economy? Is that where the difference lies, perhaps?

DR. BATES. Let me comment briefly. I have been reviewing various statistics lately, revising a book of mine for publication, so my research assistant has been bringing me files of these detailed data. We can look, first of all, at the surprising statement about rising median incomes within black households in the 1980s. Disaggregate that into several regions of the country. In the South, throughout the 1980s, we saw continuing increases in black incomes fairly much across the board. The median figure would have increased in the South as a region, although the South, as a region, is diverse.

If you look at the non-South regions, particularly the Midwest and the Northeast, one would find deterioration in median black household incomes. Of course, the Midwest is the area where large-scale manufacturing of the traditional variety, such as the auto and steel industry, has been most in decline. The Midwest is the specific area where median black household incomes have declined most substantially, where we have seen an increase in households below $10,000 a year in income. In terms of manufacturing strength, manufacturing does vary a bit from region to region, but nationwide, it increasingly offers white-collar jobs to technical personnel, clerical personnel, managerial, professional personnel. Blue-collar employment within manufacturing is shrinking nationwide. If you look at blue-collar employment in manufacturing, you find that the only growth sector in blue-collar employment in the manufacturing sector is within the small business sector. There blue-collar manufacturing jobs are increasing, and they are disproportionately low wage jobs.

A city such as Los Angeles typifies this trend. Manufacturing numbers do not look bad, but the big unionized outfits, like the auto companies and Bethlehem Steel, closed shop. The small outfits that are doing labor intensive manufacturing are creating jobs, but those are low wage jobs, low wage, relatively low scale, high turnover jobs. Manufacturing is really most healthy in this country for the white-collar portion of the labor force. For the blue-collar portion, there has been tremendous downward mobility and job loss except in the lowest paying small business sector of manufacturing.

COMMISSIONER REDENBAUGH. It seems to me that in what you have just said, you are collapsing two separate issues together. One is the health and strength and competitiveness of the U.S. manufacturing base on which we have pretty good data. The serious problems of the 1970s have been turned around in the 1980s, and productivity is growing very rapidly. That is one issue, and the other issue is the employment bases associated with that. I think it would be clarifying to separate those as two different issues, one of which is a problem that we need to deal with, and the other one an achievement over which we can be proud.

DR. BATES. Manufacturing should be viewed as having gone through a tremendous period of transition. In that transition, the manufacturing sector in the aggregate can perhaps be viewed as stronger than ever, but that whole process of change has had a disproportionate impact on different parts of the labor force.

COMMISSIONER REDENBAUGH. Exactly, and we need to see this as a labor force problem, not an industrial base problem.

DR. BATES. Right, exactly.

COMMISSIONER REDENBAUGH. Because the productivity is growing faster than Germany or Japan.

COMMISSIONER BERRY. There is some understanding to be gained here.

COMMISSIONER REDENBAUGH. It would seem that way to me.

COMMISSIONER BERRY. My last question, Mr. Chairman, is to Dr. Bates again. To go back to your opening remarks about what we can and cannot learn from Korean small businessmen—what blacks or African Americans can and cannot learn—you said the education that some of our young African American people would be wasted if they tried to emulate them by going into small businesses, "Mom and Pop" stores and that kind of thing, if I understood you correctly. I am asking you because in the African American community for some time now, there have been people advocating such doctrines as before desegregation, we had all these "Mom and Pop" stores, and we had a booming black economy, and we lost it all when we had desegregation, that what we should do is aggregate all the dollars in the black community. If we just put our money together, we could finance all the development we want because we have got one of the world's greatest economies, that what our people should do is to work in that economy, and do precisely what you are saying they shouldn't do. Are you familiar with this, and are you telling me that this doesn't make any sense?

DR. BATES. By and large, I am saying it doesn't make any sense. It was tried largely in the 1920s, probably more so even than in the 1960s. "Buy Black" was big. Retail businesses flourished in the 1920s, and many of those retail businesses hung on right into the 1960s, 1970s, and 1980s. "Buy Black" was big once again in the 1960s. It has not been sustained.

The retailing sector has been on the decline, and retailing within the black business community is a very high risk, low rate of return, high failure rate sector. I think that there is a niche, however, in which retailing does make sense. If we look for success stories in retailing, think of the type of retailing that would lure in the individual that has the MBA degree and the managerial experience out there in a key area like marketing. That would not be a "Mom and Pop" store, that would be something like a top of the line franchise—owning a series of McDonalds or Foot Locker-type stores would be a high investment type of venture that would offer quality products at competitive prices. You could lure black entrepreneurs into those lines of businesses, and indeed, those types of businesses do appear in inner-city areas, but forget the "Mom and Pop" store and the $5,000 micro loan and supporting inefficiency by "Buy Black" campaigns.

COMMISSIONER BERRY. It is still not clear to me, if that is a good strategy for Korean businessmen, if it is a good strategy.

DR. BATES. If.

COMMISSIONER BERRY. Apparently for some of them it seems to be, at least in the short term. You described it as people who have these stores, and they live somewhere else, and this is what they do. It seems to be working, and there is also animosity among some groups of the population who believe that, "They have all the stores, and we don't have any stores," and so on. Why is it not a good strategy to say that African Americans ought to—those who have the skills and inclination—accumulate all of our money, and then have our own stores in our own communities? Why isn't that a good strategy if it is a good strategy for the Koreans?

DR. BATES. I don't think the evidence, in total, indicates that it is a good strategy for most Koreans who are in this small business sector. Anecdotally, we can always find very, very successful Korean firms in poor minority communities. But by and large, it is a lot of work, and in light of the large financial capital investment and the human capital skills of many of these Koreans, they are getting a low rate of return for investing a lot of their resources into a small business. Although the income might look impressive, when you consider what they would be earning if they really had the choice to move into the corporate sector or into self-employment unconstrained, they would make much more. I think that economic development will be generated when African American young people follow the route of self-employment or the direction of greatest opportunity. That will not be in going into business in small-scale ghetto retail stores. That is simply a high risk, low rate of return, overly competitive.

COMMISSIONER REDENBAUGH. However, it does seem to be one of the few opportunities open for some people. Maybe the better question is, "How do we get the rate of return on black labor and black capital or minority labor and minority capital up?" "How do we get the post-tax rates of return up?" Let them sort out whether they have a retailing model or a distribution model or service business. I am much more inclined to leave these issues to the market, but I am certainly convinced that the arrangement is stacked against these groups. The interaction of the tax code and the welfare code keeps the rates of return on labor and capital down near zero.

I want to mention something that may be known to the panelists, but may not be known to all of the Commissioners. A.P. Giannini, when he came to this country, found that Anglo banks didn't see any business opportunity in these not very literate Italian immigrants that were living around California. They had a bad credit history, and everything was all wrong. Then he founded the Bank of America because he saw a tremendous opportunity in the unwashed market not being served by the Anglo banks. Bank of America became so successful and such a threat to the established eastern banks that the legislation forbidding interstate banking was then passed to confine the problem to California. More recently, the junk bond business was a similar or equivalent mechanism for making credit available to the unwashed, to those who weren't in the country club set. That, too, disturbed much of the traditional Wall Street, eastern investment banking establishments, no longer a source of capital we have now. I am encouraged by what the representative of NationsBank has told us, that NationsBank sees a market here, not a chance to do good, but a chance to do well. It is through that, through this enlightened and unenlightened self-interest, that we are going to solve the problems of poverty in this country.

DR. BATES. Let me comment briefly on the Giannini example. There are intermediaries out there today operating, dealing with black-owned businesses that fit that model. Take for example, the Maryland Small Business Finance Authority. Its bread-and-butter item over the years has been assisting minority entrepreneurs who come in and win contracts from the State of Maryland, procurement contracts. Many of these minority vendors, who have the sophistication and drive to win these State procurement contracts, still cannot get bank financing for the working capital to fulfill their contracts. If an intermediary could step in, they might be very successful.

That's what the State agency has done in Maryland. Dealing solely with minority-owned businesses, largely black-owned businesses rejected by the commercial banks, they have achieved a default rate of one-half of 1 percent, and their program—supposedly a development program to be subsidized by the taxpayers of Maryland—has been paying its own way entirely. Not only has it been paying its own way by lending to these black-owned businesses rejected by the banks, but it has been building up its loan fund to such an extent that the State of Maryland, in its present fiscal crisis, came around and wanted the minority business agency to contribute $5 million of its surplus to help the State finance its budget deficit. Here is a minority business community within Maryland that is not only growing, with the help of a State intermediary, but it is contributing excess funds to help the State of Maryland plug its fiscal cap.

COMMISSIONER REDENBAUGH. We need some way to help traditional bankers get over their—and maybe they are not prejudiced—their superstitions about to whom they should lend. A friend of mine once told me, "You never want to buy a Triple A-rated bond, ever, ever, because the only thing that can happen to you is that the credit rating could go down." This was a guy in Peking, who came here and made $500 million one year. I should have taken more of his advice, and he should have taken some of mine actually.

VICE CHAIRPERSON WANG. We have been focusing on most interesting topics so far. Maybe I can shift gears. I know Commissioner Anderson and Commissioner Buckley may have a couple of other questions. If I can ask Professor Bates and Dr. Tidwell to comment a little bit—since you know so much about the Korean community from your earlier comments—what would be your recommendation, on the reality that Koreans are going to be in the black community, even though the returns are not justified, since, Commissioner Redenbaugh mentioned, there are not many alternatives at this very moment. They are going to continue to do business in the

black and other minority communities. How can we help to really bridge the gap so that we will have less of a conflict? What would be your advice?

DR. BATES. The reporter from the *Los Angeles Times* called me and asked me if I thought the Korean-owned businesses would rebuild in south central Los Angeles. I said they are going to rebuild for the reason they are there in the first place, lack of alternatives. That's why they will rebuild. They will be there, and the antagonism will continue.

What can we possibly do to lessen that antagonism? I think that there is a very feasible strategy that relates to many of the items discussed today. When one looks at bank lending to black and Latino businesses within inner-city communities, the results that one sees can only be described as massive redlining. It is not as though the Koreans and the indigenous minority population, or recent immigrants in the case of Mexicans, are playing on a level playing field with Koreans who arrive with substantial wealth of their own. If we could even the struggle somewhat, we might see instead of the struggling "Mom and Pop" Hispanic and black-owned businesses that are slipping and really can't compete, perhaps we would see a larger number of the large-scale, more viable, top of the market retailing operations, black and Hispanic-owned.

That could be facilitated by much less bank redlining. Let me say one other thing about redlining. We look, of course, at loan approval, and I believe we have to look at loan amount as well. It is not just a racial thing. In that one experiment I did in my work, which entails looking at the data on thousands of businesses, I looked at black-owned businesses operating in 28 large metropolitan areas in this country, and divided those who did receive bank funding into two groups—those whose businesses were located in the minority community and those whose businesses were in the central business district or suburbia or whatever in nonminority communities. Of course, the vast majority of black-owned businesses are in the minority community.

But for the substantial number that are not, black-owned businesses that are operating outside of the minority community got substantially larger loans than black-owned businesses operating in the minority community. We have an aversion to the minority community above and beyond a black-white differential here. That really handicaps the most promising black entrepreneur, who is more likely to get credit by moving out of the minority community and minimizes chances of getting credit by remaining within the minority community. Level that differential, give the Koreans less of an advantage, and I believe that we won't eliminate the antagonisms, but they will lessen.

MR. TIDWELL. I would just, if I might, underscore pretty much what Mr. Bates has said. In more specific terms, the summary observation is that, really, the central precondition is broadened opportunity. There are several things that must be pursued to achieve that. One is more antidiscrimination effort, i.e., making equal opportunity a fact as well as a law. The other is by way of simply promoting more opportunity for people to realize the American dream. The one thing that is happening in these communities, including south central Los Angeles—and we all know that there are a number of things that kick into this, that have to do with the lack of progress, if you will, on the part of African Americans with respect to economic development and business ownership and so forth—the one thing that has happened is African Americans in Watts and south central Los Angeles, and other places have observed over the years, other groups come and go. They come, and they do well, and they go. Even allowing for some of the acknowledged barriers to progress on the part of the African American community itself—some of which we don't want to talk about—the factual matter is African Americans have experienced barriers to their progress which have been, if not unique, certainly disproportionately present to them.

Much of the anger which spills over and most recently spilled over in south central Los Angeles directed at other minority groups has to do with: a) that continuing lack of opportunity on the one hand, opportunity for everyone in these communities; and b) this idea that it has happened again. It has happened again and it is just not fair, and the only way to really express that kind of frustration and disgust, and not the only way, but one of the ways, regrettably, that it is expressed is through the kind of acting out against other minority groups. That really is a

frustration with the system that produces this kind of differential progress on the part of African Americans versus other minority groups who are, in some cases, equally deserving of having more opportunity than they presently do.

Until and unless those barriers are eliminated, until and unless the economic pie is expanded and there is real equal opportunity for everyone, there are likely to be these kinds of intergroup conflicts and antagonisms that are perfectly understandable. They happen all over the world. We know that, but there are likely to be those continuing kinds of conflicts among minority groups scrapping over a small piece of the pie. That is what we have to concentrate on doing, expanding the pie.

VICE CHAIRPERSON WANG. Okay. Staff Director?

MR. GONZALEZ. Thank you, Mr. Chairman. I just wanted to follow up with Dr. Bates because I would tend to agree. My own experience, having spent a week in south central L.A. right after the riots, was that many African Americans, individuals and community organizations, were not really interested in substituting for the Korean businesses. In other words, what they were concerned about was what Dr. Tidwell said, and that is that they had this perception that perhaps the system provided Koreans with more opportunity, financial opportunities, than they had gotten. They felt frustrated about that.

The "Mom and Pop" stores that were providing the milk in the middle of the night and so forth weren't something that they wanted to take over or substitute or tell the Koreans, "Don't come back in because we are going to do it." They weren't saying that. They certainly were saying that they didn't want the liquor stores to come back in. As one individual said, "What we have been trying to do for the last 20 years, the rioters took care of in 2 days." That was the multiple liquor stores on one block.

I think I have a tendency to agree that I didn't see and I didn't hear a lot of African Americans talking about, "We would like to substitute for their businesses." In fact, they are saying, "We would like to let them come back in because we need the milk in the middle of the night. If they are willing to provide it, fine. That's not my bag. I want to do some other things, but I am not getting the kind of support from the system that I perceive you all getting."

VICE CHAIRPERSON WANG. Commissioner Anderson? Any further comments from anyone?

MR. FISHBEIN. I just wanted to mention one other thing that I think is important to take into account when we are talking about access to bank credit for small businesses, that we are moving towards a trend of an increasingly consolidated banking industry. I think some projections I've seen indicate that with interstate branching, about 300 of the top banks would control 90 percent of the banking assets in the United States. At the same time, the research will always show that large banks, because of their nature, don't do a particularly good job of serving the needs of very small businesses.

I suggest, as a matter of public policy, we are creating an increasing gap that, if it is not met through the private market, is going to need some public sector solutions to it. The conventional market theory would be that if there is a need, there would be a new bank that would form to address that need if the large bank wasn't serving the need. But if you are talking about capital poor neighborhoods, it is unlikely a new bank is going to be set up to serve an area that is already capital poor. There really is an increasing conflict that I don't think has fully been discussed in public policy.

MR. TIDWELL. If I might just make a brief closing comment. Here we are 27 years later, and if there is anything that might be consoling in this tragic experience of the past few weeks it is that there is, in my perception at least, much more frank talking. In the 1960s, following Watts, it was more a matter of "this offends our moral sensibilities, and we have to do something about it in addition to the law and order things." Now the talk is much more frank with respect to the self-interest of the Nation being at stake, the self-interest of suburbia being at stake, as well as the inner cities and so forth. Therefore, there might be a greater likelihood this time, hopefully there is, that there will be a revolution that will be more serviceable to us over time. We won't find ourselves again and again confronting the same sort of situation. Perhaps there is more of a recognition of a kind of enlightened self-interest in all of this, in addition to the kind of moral

considerations that enter into the equation. We'll see where it leads.

VICE CHAIRPERSON WANG. Equal time, Ms. Bessant. Do you want to have 30 seconds or a minute, Ms. Bessant?

MS. BESSANT. Rather than repeat myself, what I will say is that I believe that the focus on loan denial rates misses a big piece of the problem, that is the amount of loan applications that we get. We estimated in our 1990 Home Mortgage Disclosure Act data that 13 percent of our applications came from minority applicants. As you heard in my testimony, 22 percent of the demographics of our markets are minority households.

To me, the real short-term area that we can address is encouraging more loan applications, overcoming whatever barriers exist: discrimination, perceived discrimination, intimidation, uncertainty, lack of education. The real nut to crack is getting applicants in the door. Over time, if we are doing our job of educating our consumers and developing creative and innovative product development, we can get the denial rates to a more equitable level. But until we address where the original sources of credit are, and where customers feel comfortable going and getting loans, we aren't going to begin to solve the problem.

VICE CHAIRPERSON WANG. We want to thank you very much for your generosity in coming and sharing your thoughts with us. We have decided to keep open the book for 30 more days, so if you feel that you have not fully expressed yourself, or you have other information that you think we could benefit from, we welcome you to send it to us.

[Recess.]

Civil Rights Panel

VICE CHAIRPERSON WANG. We will start the final panel on civil rights. It is certainly one of the most important panels. I want to, at the outset, just mention that Chairman Fletcher and Commissioner Redenbaugh had to go to the Hill to meet with the Senator in charge of the Banking Committee, as you may have heard during the last session, on the topic of the Community Reinvestment Act. They are not able to join us, but we certainly appreciate your generosity in joining us this afternoon. If we may proceed, General Counsel.

MS. BOOKER. We would like to invite Mr. Glasser to begin by introducing yourself for the record. Each panelist has been asked to speak no longer than 10 minutes, followed by questions from the Commissioners. You are certainly invited to submit extended comments for the record. Mr. Glasser.

Statement of Ira Glasser, Executive Director, American Civil Liberties Union

MR. GLASSER. Thank you. My name is Ira Glasser. I am the executive director of the American Civil Liberties Union, probably the oldest civil liberties organization in the country, now 72 years old. I have often been asked what civil rights has to do with civil liberties, a distinction I have never recognized. It seems to me, as someone who grew up in the 1950s, that civil rights, racial discrimination, particularly with respect to African Americans in this country, is probably the most serious, the most urgent, the most persistent, and the worst civil liberties violation and problem of our time.

It is the persistence of what I have come to think of as gross institutionalized racial injustice, which I take as a broader term than racial discrimination, and which more aptly describes the issue we ought to be confronting. That gross racial injustice is an issue that I think this country has never fully faced, never fully committed itself to resolve, and always, at crucial points, backed away from and learned to tolerate instead of vanquishing it. I resist, at this time in our history, the impulse to talk about detailed programs or the interstices of particular statutes that go under the name of civil rights laws. I think that what we do and how we do it is a matter of enormous debate because we have to do it right as well as doing it at all. It has to be effective. But beyond the details, I would suggest to you, that the biggest problem we face and have always faced in this country is the lack of sufficient commitment, and I think it is a problem that we face tragically, worse than at any time in my life, at this moment.

If there is a role for the U.S. Commission on Civil Rights, if there is a role for groups like the ACLU, that role today is not only to talk about specific programs, but to reawaken in this

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country, and in our government, and in our people, a sense of the moral urgency of this problem, a sense of injustice, and a sense, ultimately, of self-preservation. Racial injustice has been America's worst civil liberties problem from the beginning. The vision of American liberty that we all learned about in our civics courses, and that has been a beacon of hope all over the world, was a vision which was compromised with slavery from the very beginning. A nation which found it outrageous, a denial of liberty enough to cause a revolution because of a three-penny tax on tea, learned to tolerate chattel slavery and accept it as a price of the birth of the new Nation. That slavery, I think, was our original sin, a birth defect, that the country has never outgrown, and when confronted with it, we backed away from it.

After the Civil War, when the 14th amendment was passed, and there was a brief period of Reconstruction, it looked like perhaps the Nation was ready to come to grips with it. But we did not. We backed away from it again and learned to tolerate severe racial injustice. The Supreme Court, in the very first case it had a chance to interpret the 14th amendment, eviscerated its strength and its power. Congress and the President backed away from civil rights laws, first stopping enforcing them and then, finally, repealing many of them. Blacks in the South were abandoned for another 100 years to Jim Crow laws, to legalized segregation and discrimination, and to State-sanctioned terror. It is impossible to consider what it is that we do now, what it is that we face now without taking into account those two centuries of policy-driven persecution that is virtually without parallel for any other discriminated-against group in this country, with the possible exception of American Indians. It is impossible not to take that history into account when you begin. I grew up, as I said, in the 1950s. I remember a time when we all thought that if we could only get rid of the Jim Crow laws, if we could only dismantle that legal infrastructure, justice would follow, maybe not right away, but within a short period of time. As a young man of 25, I stood in the sun on August 28, 1963, in front of the Lincoln Memorial listening to Martin Luther King, Jr.'s, dream. It was a dream we all believed was about to be fulfilled, and it was such a modest dream. We wanted an end to school segregation. We wanted an end to legalized racial discrimination in employment. We wanted an end to legalized discrimination in housing. We wanted an end to legalized discrimination in voting. We wanted an end to legalized discrimination in public accommodations. It seemed like a dream, but it seemed like we were about to get it. We thought that justice would follow.

Well, 5 years later, Dr. King was dead, but the dream of dismantling that legal infrastructure seemed almost at hand, and in fact, it was. School segregation was on the run. George Wallace was chased from the schoolhouse door. The Civil Rights Act of 1964 outlawed racial discrimination in public accommodations and employment. The Voting Rights Act of 1965 outlawed racial discrimination in voting and prescribed ingenious and unprecedented remedies in section V of that law. The Fair Housing Act of 1968 prohibited racial discrimination in housing. We thought we were on our way, but justice did not follow. It did not follow. Near the end of his life, Dr. King began to recognize that dismantling the legal infrastructure, what we called, then, civil rights laws, was not going to be enough because those 200 years of our history had blended, fused, merged, institutionalized poverty with institutionalized racial discrimination in such a way that it was not going to be accessible to merely outlawing the hard outer shell of discrimination. He began to see that, and he began to know that this was going to be a much more difficult problem, and one that the country was beginning to weary of too. The Kerner Commission recognized it as well and warned us in 1968, as I am sure practically everyone who has come before you has told you, of the development of an American apartheid—two Americas, separate and unequal.

Well, here we sit. It's a long time later, 25 years later, and consider some of the indicia of injustice now. Poverty itself is not ever thought of as a civil rights issue, but we have to start thinking of it for a very simple reason. Poverty is always a disaster. It is a disaster to anyone born into it and limited by it, but it is a special problem when three times as many black children are born into it as white children. It is a disaster of a different kind when poverty itself is not evenly distributed. When it correlates with

race, that cannot be accident. It is a product of our history, of our policies, of the things we did and the things we failed to do.

The traditional route out from that poverty has always been education, or thought to be education. But, the schools themselves, 37, 38 years after Brown, remain tragically, deeply unequal and increasingly separate. Why is that? Well, part of it has to do with financing, not ordinarily what you would think of as a civil rights issue. But most schools are financed, as you know, by local property taxes and, therefore, correlated with who owns land; and who owns land correlates with the history of this country. In a State like Alabama, there are districts that spend $2,300 a year per pupil and other districts that spend $165 a year on pupils. That would be unfair enough if it was not racially correlated, but it is deeply racially correlated. Students in the school district that spends $2,300 are almost all white, and almost all black in the school district that spends $165 a year on pupils. I am sure I didn't have to tell you that for you to guess it. In some schools, the route out of poverty, there are no libraries. Where there are libraries, there are often no librarians. There are no laboratories. There are no textbooks that are whole. There are often no windows. The plumbing doesn't work. The roof leaks. There are no supplies. People have to bring supplies themselves, and they are precisely the sort of people who can't bring supplies themselves. These schools—this is 1992, this is now—those are the kinds of schools that Thurgood Marshall started out to get rid of in the case that struck down school segregation. We have not gotten ridden of them. Somehow we don't think of that as civil rights anymore.

Consider health care. You don't normally think of health care as a civil rights issue. It was never on the agenda of the ACLU. I read an article in 1991 in the *Washington Post* which talked about a class of diseases that nobody dies from anymore, things like bronchitis, appendectomies, gallstone problems, gastroenteritis, things like that, about 12 or 13 different diseases. People between the ages of 15 and 65 hardly ever die from those kinds of diseases anymore. Between the years of 1980 and 1986, according to that article, only 122,000 people died from all those 12 or 13 diseases in those 6 years in the whole country, and 80 percent of them were black. That cannot be an accident, and it is not because blacks are genetically more disposed to those diseases or to their consequences. That is a consequence of public policy, and you don't have to be a radical to suggest it. An editorial in the *Journal of the American Medical Association* called our health care racist. Why? Because health care depends on private insurance, and private insurance is linked to employment, and employment is linked to racial discrimination and racial disparity and racial stratification. There are 30 million to 37 million people who don't have health care because they don't have health insurance, and disproportionate numbers of them are people of color. How many people get it, how early do they find out about it, how and what is their treatment, and what are their death rates are—from the flu to cancer, this is a system which discriminates on the basis of medical opportunity as it does educational opportunity and job opportunity.

They are all linked in a way that is suffocating from which there doesn't seem to be a way out. It is not enough anymore to tell people to shake up their values and try harder. We are not suffering from a poverty of values. That may be a symptom. It is tragic and outrageous to mistake it for its cause. What we are dealing with now is an institutionalized kind of prison that kids are born into and can't get out of. That sort of stuff has to be remedied in terms of justice and not just in terms of macroeconomic programs.

This is a country that has systematically, in the last dozen years, abandoned the notion that government can help through social programs, but government must help through social programs. That is not to say that ineffective programs will help—they will not—but the remedy for ineffective programs is not to abandon programs. It is to find effective ones. We have to awaken in this country a sense that this is important and that our survival depends on it. That sense doesn't exist anymore. A few years before the recent riots, a poll showed that only 30 percent of white Americans thought that racial equality was a problem any longer that required government remedies. We have to change that before you can even begin to talk about programs.

I want to close this formal part of the testimony by pointing out that while Dr. King had a dream in 1963, today I have a nightmare. My nightmare is of Los Angeles all over the country. My nightmare is of the rising tide of violent rage—responded to by repression, in a way that will make none of us able to live in this society, or want our children or our grandchildren to live in it, in a way that will make civil liberties disappear quickly forevermore. This is a country which is responding to these problems by filling up its prisons with black people. This is a country in which, according to the FBI, 12 percent of drug users and dealers are black, and 38 percent of drug arrests are black, and over half of the prisoners in prison now are black. We have multiplied the number of prisoners in the last 25 years by five times, and most of it is drug related, and most of it is black. Some 25 percent of young black men are under the jurisdiction of a criminal justice agency now. Homicide is the leading cause of death among young black men. We want to know why so few go to college? It is because they are dying and incarcerated. I suggest to you it is a direct result, at best of neglect, and at worst, of our own social policies. This has to be seen as a problem, the way we came to see Bull Conner and his cattle prods in the 1960s. The nightmare is also that, in a society where we are a global economy now, we cannot compete with a large section of our population disabled and imprisoned.

We don't have much time. When I saw what was going on in Los Angeles, what flashed into my mind was an essay that James Baldwin wrote in 1963, which had impressed me very much at the time. I want to close by repeating it. It is the end of that essay. He says, "If we, and now I mean the relatively conscious whites and the relatively conscious blacks, who must, like lovers, insist on or create the consciousness of the others, if we do not falter in our duty now, we may be able, handful that we are, to end the racial nightmare and achieve our country and change the history of the world. If we do not now dare everything, the fulfillment of that prophesy recreated from the Bible in song by a slave, is upon us. God gave Noah the rainbow sign, no more water, a fire next time. I believe our time is running out."

Large portions of the population, identifiable by the color of their skin, who have nothing to lose, and no stake in the future, and no believable reason to hope it is going to change, no place to put their anger, no reason to think that politics can make a difference, no reason to vote much less work—that rage cannot stay bottled up in a way that makes any of us safe. It is important to remember that when Rodney King was beaten, people did not riot. When they showed that beating on television repeatedly, people did not riot. People rioted when justice failed, and they did not riot because a jury made a mistake. Juries make mistakes all the time. They rioted because that failure of justice was emblematic and symptomatic of a pervasive, suffocating failure of justice that is woven into the fabric of all of their lives.

We have to take some collective responsibility for this and deal with it. This is not a black problem. This is an American problem. We have to step up and do justice, not only because it is right at long last, but because it is in the self-interest of all of us to do so, fast. Thank you.

MS. BOOKER. Ms. Narasaki.

Statement of Karen Narasaki, Washington Representative, Japanese American Citizens League

MS. NARASAKI. Thank you. I have prepared written testimony which I have submitted, and what I would like to do is just summarize that testimony.

Today, I would like to thank the Commission for its recent report on *Civil Rights Facing Asian Americans in the 1990s* Obviously, you are well aware of the multitude of issues that face my community. However, I would like to focus on an issue that is not specifically addressed in that report, but one, which the JACL believes is vital to the understanding of civil rights and Asian Americans.

With few exceptions, political leaders routinely fail to acknowledge Asian/Pacific Americans as active participants in the civil rights struggle. Failure to include us as integral players in the process means that the rebuilding of Los Angeles and other urban centers may ultimately fail. The events of the last few weeks serve only to illustrate that problem. On the day that the Rodney King verdict was heard, we saw

a Japanese American man pulled from his car, one of the first victims of the riots. We saw hundreds of Korean Americans and other Asian American families stand by as their businesses were looted and burned to the ground. Yet not one of the Asian/Pacific American civil rights leaders was included in the emergency White House meeting on the day after the violence began. That meeting, and the subsequent press conference which followed, presented a tremendous opportunity to convey to the Nation the shared sense of outrage and concern of all of the communities that were affected by that tragic day. It also would have sent a clear message to the American public that Asian/Pacific Americans are, indeed, a part of American society, and that we must be included in the racial dialogue that is critical to the well-being of our nation.

This marginalization of Asian/Pacific Americans is illustrated by the current fate of several bills now pending before Congress. The first bill is one that I am sure many of you are aware of. It stems from the passage of the Civil Rights Act of 1991. In the waning days before the passage, one case stood out, and that was the *Wards Cove* Packing Company case, a case that involved over 2,000 Asian/Pacific Americans and Native Alaskans. The two Senators from Alaska managed to strike a deal which, although the bill was used to correct the Supreme Court decision in that case, excluded that case specifically from coverage of the Civil Rights Act of 1991.

The Asian/Pacific American community around the country is outraged. It is an example of how little regard our leaders have for our communities. The bill that is currently pending before both the House and the Senate seeks to eliminate that special interest exclusion, but it languishes in Congress because, as I have been repeatedly told, Congress and the President are sick of dealing with civil rights. And a deal is a deal—putting the interests of the Alaskan Senators above the civil rights of those 2,000 Asian/Pacific American and Alaskan workers. We urge the Commission to support this legislation and to speak out on such proposals that would seek to solve civil rights issues for this country while being discriminatory in and of themselves.

Another area of recent attack is on the Voting Rights Act. Two significant bills are currently pending before Congress, which are vitally important to the voting rights of many minority Americans. The Commission has already taken a strong stand on the Voting Rights Improvement Act, which provides for bilingual assistance. Because 7 out of 10 in our Asian/Pacific American communities consist of recent immigrants, the bilingual voting assistance provisions are essential to our ability to fully participate in the democratic process. One fact that the recent events in Los Angeles has taught us is that people who have no stake in the system have nothing to lose in resorting to violence as a means of calling attention to their problems. It can be far more costly not to reach out to those citizens who need assistance to vote.

The Commission should also provide its support to a bill recently introduced by Congressman Edwards to repair the damage done to the Voting Rights Act by the U.S. Supreme Court in its recent decision, *Presley v. Etowah County Commission*. That case involved a third generation of efforts to attack political participation by minority communities. After unsuccessfully trying to block election of black county officials, the majority-white commission voted to change the system of funding allocations to effectively eliminate the authority of the newly elected black officials. The Justice Department had a longstanding policy requiring preclearance of such actions, and the Supreme Court acknowledged that it usually deferred to agency interpretations, but in that case, refused to do so. Unfortunately, the Justice Department has since appeared to back down from its position taken before the Supreme Court. Local government should not be allowed to circumvent the goals of the Voting Rights Act by removing authority from political officials and depriving minority political officials of the ability to represent their constituents. Again, the experience in Los Angeles is instructive. Political empowerment is an important avenue to achieve a fair and just society.

Finally, one of the bills pending before Congress is an amendment to the Civil Liberties Act of 1989. That is the act that provided redress to the over 120,000 Japanese Americans who were interned during World War II. The administration supports the additional authorization but wants to eliminate the education provisions

of that original act. In light of the events of this past month, education on a national level, the story of the Japanese Americans and the Government's reaffirmation of constitutional principles in adopting the Civil Liberties Act is extremely important. It was because people remembered the World War II internment of Japanese Americans that American Arabs were not faced with the same deprivation of rights during the Gulf War. We believe that public understanding of Japanese American history and the loyalty given to this country by my parents and grandparents, even under the darkest of circumstances, can also serve to ameliorate the temptation to target us as scapegoats.

The number of incidents of anti-Asian violence which has occurred, even over the last 4 months of this year, is frightening. As disturbing as the murders, the bomb threats, the vandalism, the verbal attacks, are evidence that young school children are developing racist attitudes about the Japanese and, by extension, all Asian/Pacific Americans. Recently, sixth grade students in a Los Angeles elementary school were asked to draw their perceptions of the "Buy American" campaign. Drawings such as one child kicking a slant-eyed child and pictures with captions saying, "Bomb, bomb the Japanese" were produced. Education about ethnic diversity of this country must be provided to combat racism. JACL believes that the education fund is essential in fulfilling the purpose of the Civil Liberties Act. As Dennis Hayashi, the national director of JACL, noted, "This country can ill-afford to forget the importance of upholding civil liberties during periods of national turmoil."

Finally, I would like to turn to the issue of hate crimes. The Government must provide tougher laws against hate crimes and insure thorough enforcement of existing laws. States are unwilling or unable to provide the necessary resources to train policemen to properly identify and respond to hate crimes. The Justice Department does not allocate sufficient resources to pursue Federal prosecution. The Community Relations Service contends that it has neither the mandate nor the resources to publicize the Hate Crimes Hotline, or provide assistance to the victims who do call in. No bilingual assistance in Asian languages is available to the Asian American callers who have recently immigrated to this country, often the most likely targets of anti-Asian violence. Without vigilant community surveillance, many hate crimes do go unreported and unpunished.

In conclusion, JACL would like to urge the Commission to make specific legislative recommendations to address the issues raised by its recent report on civil rights issues facing Asian/Pacific Americans, and to determine within the next 12 months whether any of its recommendations are being implemented. As someone noted in one of the earlier sessions yesterday, the act of convening these hearings was commendable, but what is now needed is action. Thank you.

MS. BOOKER. Mr. Morris.

Statement of Milton Morris, Vice President for Research, Joint Center for Political and Economic Studies

MR. MORRIS. Members of the Commission, I am Milton Morris, the vice president for research at the Joint Center for Political and Economic Studies. I am very grateful for the opportunity to participate in this session, and I congratulate you for this very timely series of hearings in which you are engaged, timely because it comes about just when we are witnessing some of the most fearful, threatening, and predicted indications of deep divisions in our society.

In fact, I believe that as a society we are in a state of crisis, a crisis that goes well beyond the events in Los Angeles, one that threatens to envelop the Nation in a manner that will make Los Angeles seem trivial. The crisis results, it would seem, from a number of factors, that can all be associated with and reflected through the racial and economic tensions that we can see and recognize. This is not, we must concede—and it is perhaps useful to view our situation in as broad a setting as possible—purely a domestic problem. In fact, as we look around the world, it is very clear that racial and ethnic conflict has been, and remains, one of the world's most persistent challenges.

We are witnessing today societies that have been enveloped in conflict over generations. Others, where conflicts were smothered for several years by oppressive political regimes have now erupted into bloody violence, tearing apart

sovereign countries. In our own society, we have witnessed and will continue to witness, I submit, the deterioration of the fragile peace that has been in place over these last several years. This society is distinctive in some respects with regard to racial and ethnic relations. It is distinctive in that it is one that claims adherence to a set of values congenial to an inclusive racial and ethnic community.

The Declaration of Independence, the Constitution, the public lore, all convey the impression that we are a society of diverse peoples, and that we are proud of this diversity. In fact, it is one of those defining features of American society, we are told. In recent years, we have managed to achieve a fragile peace after decades, generations, in fact, of struggle for civil rights. We have had triumphs, and indeed, as we look across the world, we believe that there is much of which we can be proud, and there is much that we probably can share with other societies. Yet we have never come close to the ideals that we have established for ourselves as a society. Over the past decade, at least, we have seen significant, disturbing retreat from the gains made and indeed, in many instances, we have seen a total turning away from what appears to be that commitment to an inclusive society.

We have managed to separate civil rights from economic opportunity, and having granted basic political rights and having removed basic discriminatory elements from our society, we have for all practical purposes considered the job complete. The problem is that economic opportunity is an integral part of civil rights. It is, in fact, an essential ingredient to racial and ethnic peace. There are no indications that, in this society or elsewhere, racial harmony can coexist alongside poverty, hopelessness, and a continually deteriorating quality of life. What we have created, especially in recent years, is an environment in which there are not just tensions between the dominant white society and ethnic minorities, but we have created the conditions for interethnic strife.

In thinking about the problem of racial and ethnic tensions, it is important that we consider both dimensions of this picture. As a society, our history indicates that where there has been economic growth, economic opportunity, relative harmony and inclusiveness prevail. When these conditions have not existed, we have degenerated into hate, selfishness, and conflict, and that is essentially where we are. Los Angeles is really simply the most compelling recent indication of that, but the political climate of the last few years, and especially the last year and a half, underscores that. We have seen, for the first time, the rise to prominence of apostles of hate. They rose to prominence with considerable public support. We have seen outcroppings of interethnic violence across the country from New York to Los Angeles, indicating that deprived people faced with limited opportunities are looking distressed, disturbingly, sometimes enviously at others who are, themselves, striving to make their way under constrained economic circumstances. The events of this past week or two are merely the most recent indications of a continuing trend.

What do we need to do, and how do we come to grips with these circumstances? Our diversity is with us. Indeed, if we look at the most recent census, we are rapidly increasing in our diversity. Second, we are still the rich opportunity society that we have heard about and talked about over the years. What we need are, in my view, three things. One is a commitment to economic opportunity and to economic justice. We have talked about a decade of greed, a decade of selfishness. We are, I think, clear about the widening of the gap between the rich and the poor, the widening of the gap in the quality of life between those who have been successful and made it, and those who have not. We have talked about and seen evidence of the abandonment of the urban places where large segments of the economically disadvantaged population fail. These are, and ought to be, the new frontiers for our activities over the next several years.

Second, we need a more inclusive conception of civil rights, one that embraces the full array of our ethnic diversity. We are not—as blacks, as Latinos, as Asians—distinctive entities. We are all in the same environment, in the same conflict. We are all inextricably linked together with common aspirations, with common interests, and with common needs. We need to define civil rights in a way that unites, reunites, us rather than separates us or compartmentalizes us.

Third, we need leadership. If there is any single failing of the last several years, it has been

the absence of leadership that is committed to the goal of a truly united society. We have found it politically expedient to be divisive. We have found it politically expedient to focus our attention on those segments of the population which represent attractive, political majority. We have, in the process, abandoned some things that are precious, and that are vital to our society, that give it this sense of America as a diverse and yet united society. It is this sense of leadership that is vital to preserving that fragile peace that binds the various elements of the society together.

It is my hope that, as a Commission, you can be vigorous advocates for effective leadership. Thank you.

MS. BOOKER. Mr. Nuñez.

Statement of Louis Nuñez, President, National Puerto Rican Coalition

MR. NUÑEZ. Good afternoon. My name is Louis Nuñez. I am certainly pleased to be here with all of you, and I recall when I used to sit up there a good time ago, and in some ways, I am honored, and I envy you all for the experiences that you have had.

I spent 9 years with the Civil Rights Commission, and that was one of the most educational and profound experiences in my life with the opportunity of traveling to every part of this country, and dealing with all of the problems that our society confronts in a very serious way. It's good to be back, but it is also somewhat saddening to me to come back and talk about the subject that we have before us, the whole issue of racial and ethnic tensions in communities across the country. I would like to take a slightly different tack than some of my colleagues here on the table and talk about the whole issue of diversity.

It might be viewed as an opportunity, but it is also a problematic aspect of our society, and several of our speakers this afternoon have alluded to the 1960s and what occurred then—the riots in Watts, the disturbances, the enormous proliferation of civil rights legislation that emerged in that period. It was truly the period of the War on Poverty. It was a period when there was a feeling that we were on our way, and now we find ourselves, 25 years later, saying, "We shouldn't have lost the way, and we really are right back where we were." I would like to talk about it in some kind of a context, looking at it in terms of where we are today.

One of the issues that I am big on is definitions. The word "minority" troubles me today. Just to cite a very specific example, I was reading in the paper this morning that the 7-11 stores, which are small chain groceries, took back the 7-11s in the Washington, D.C., area. It said that these 7-11 stores were basically owned by minorities. Well, what does that mean, exactly? I had to read the whole article to figure out that they were talking about a group of stores that were basically owned by Asian Americans in black neighborhoods. The point I am making is that we are talking about two distinct groups of people now. We are talking about Asians. We are talking about blacks. We are talking about Hispanics, and we can talk about Latinos, as some people refer to them, Cuban Americans, Puerto Ricans, Mexican Americans. All these people in our legislation, in our regulations, in the way we perceive them, somehow we popularly think that they are all, in some respects, similar in their problems and their ambitions. I question that. I really do. I really feel that, as we begin to deal with the problems of the enormously increasing diversity of our society, we have to begin to look at the specific groupings in this country.

Then I make a further distinction between American citizens—blacks, Puerto Ricans, Mexican Americans, Native Americans—who somehow have been here for generations, and somehow their experience is not similar to the immigrant population of Europe. I cite all of the immigrant experience that people came to this country with great dreams, they worked hard, and they moved up the ladder. That was in some respects true. It is not a myth. It happened to many people, and I am sure we all know people who will tell you that this happened to their families. We know, for a fact, that it did not happen to this group of American citizens who have been here for generations and are still, basically, as a group, at the bottom of the ladder.

Then we talk about the newcomers. We are talking about the newcomers in the last 20 years, the last generation. What we have seen is an enormous proliferation of immigration from Latin America and from Asia. That has been enormous, and it is coming into all of the cities

of America. These people are really grouped together into what I would characterize as three categories of people. They are either documented immigrants, undocumented immigrants, or refugees. All these folks have different aspirations, different reasons for coming here, and they encounter different experiences. We have to see that as we develop public policies, and sometimes we don't. We tend to group all these people in terms of our regulations, in terms of our public policies, as if they were one group, and they were all striving to the same goal and the same mission.

Refugees generally are people who come from the top strata of their society—the Cuban immigration, the Hungarian immigration. Some of the Vietnamese that came right after the end of the war were the whole top strata of Vietnam brought here as a result of the war. We are getting people from Hong Kong—who are very different from other folks who are coming from poorer regions—people who come with capital, who come with resources. You get other people who come with no resources in all of these groups, who immediately fall to the bottom of the ladder. These are differences that we have to see. I sometimes think that my colleagues who have come out of the civil rights movement have not internalized the reality. We see it here, and we see it everywhere—that we can no longer talk as if there were one minority, and then there is a dominant white community astride this.

This has never been true, by the way, but it is less true today than it has ever been. I think that we have to begin to see that whole dynamic of minorities, of newcomers, how the older—and for want of another word, the protected classes—how they perceive the newcomers to our society. You see it in Miami. You see it in New York. You see it in Los Angeles. You see it in Chicago. You see the same complaints, and as you go around the country, you'll hear it that, "We've been here for generations, and these other people come, and immediately they are ahead of us." That is a common complaint of the people at the bottom of all of these communities.

Another point in this area is that there is a stagnation in all of these cities. All of you, I am sure, have traveled across the country. Urban America does not work for us. It does not work for any minority. It does not work. The schools are failing. Crime is rampant. I am generalizing, but if you look at every major city in this country, drugs are out of control, jobs are scarce in the ghettos, the infrastructures are collapsing. This is common to every major city, and I ask you, and I ask myself, "How do we expect a healthy society?" "How do we expect people to get along in that kind of milieu, all of these folks living in these societies?" I have not been to Los Angeles, but in the riot-torn areas that we look at, we talk about the liquor stores, we talk about the small stores, we look at all of these areas. All of these areas, in every major city, they exist. They are essentially "no-man lands," and people are struggling to live in those areas, but they are not making it. They are barely making it, and frankly, the national government has basically ignored or downplayed the plight of the cities. That is an issue that we are all aware of. The cities today are basically bankrupt. Every major city in this country, every mayor of any major city will tell you that they do not have the resources to deal with the enormous array of problems they confront.

One other element the Rodney King incident brought out is—and it has been alluded to—the sense of fairness. People at the bottom feel that we live in an unfair society. You talk to people in every community. They think the police are prejudiced, discriminatory, which they are in general. We talk about the Community Reinvestment Act—they can't get loans, they can't get jobs. Our society, our government institutions have to begin to redress this kind of enormous imbalance in the sense that people do not feel that we, as a society, are fair. In some respects, the 1960s were much more positive about this in that people knew that things were bad, but they had the sense that they were improving. You saw this whole proliferation of the laws. You saw the many programs that emerged out of the 1960s. One might argue that all of them didn't work, and some people might argue in a kind of crazy way that none of them worked, but a lot changed in that period. All of us who experienced that period can testify to this.

We are now in a period where the large cities of America are in an economic stagnation. I am sure you all read the report or read about it—how the Congressional Budget Office compared

incomes and pointed out that over the last 18 years, I believe, that the bottom 20 percent of our population had lost, in terms of real income, 9 percent of their real income. The next 20 percent had lost about 1 percent, which is to say that the bottom 40 percent of our total society—and that brings us into the lower middle class which has made no economic progress. We are not talking about blacks. We are not talking about Puerto Ricans. We are talking about everybody. We are talking about everybody in that segment of society, who has either fallen back or stood still. The top 1 percent gained a 67 percent increase in their income in a 15-year period. That is a reality.

People out there see the unfairness of our society. People at the bottom see that this society is not fair to them. They are not getting anywhere. How do we deal with this? They are not dealing with the top. They are dealing with each other. It is unfortunate that you see the rivalries arising, the animosities arising, the tensions at the neighborhood level—the Korean small business dealer in New York, the Dominican dealer in the Bronx. It is now increasingly becoming Indians from India who are opening stores. You see different groups, but the groups are, I think, in a competition for the bottom.

We must awaken some kind of feeling that this has to change, that we have to break out of this economic stagnation that we are in. The bottom part of this country, the bottom half—and I hate to use the middle class or lower class, but the lower income people—of this country are more and more feeling that this is not a fair society. The ideas of upward mobility are less today than they were a generation ago, and I think we, as a society, have to come to grips with this. We have to develop policies that are also fully aware of the fact that we are becoming increasingly different kinds of people with different needs and different concerns. I don't see in any of the urban policies presented at the national or the local level anything of the sort.

I go back to the issue of fairness, and I remind you, Commissioners and Staff Director, that in 1981, this Commission issued a report on the use of police force. We did hearings in Philadelphia, Miami, and in Houston. The recommendations in those reports on how police have to deal with communities are equally true today as they were 12 years ago. Why have police departments in this country not adopted a uniform code of behavior in dealing with the populations they serve? We know what they have to do. We know what kind of training they have to have, but it doesn't happen. I think you might want to look at some of the reports that have been done because a lot of these areas have been explored in the past. Thank you.

MS. BOOKER. Dr. Sue.

Statement of Stanley Sue, M.D., Professor of Psychology, UCLA

DR. SUE. Thank you. I am Stanley Sue, and I appreciate this opportunity to appear before the Commission. By way of background, I am a psychology professor at UCLA and have spent most of my career studying mental health, Asian American mental health issues, and race relations. Because of the limited time, and the fact that I am the last speaker, I want to really focus on Asian Americans, and essentially make three points.

First, Asian Americans have been widely misunderstood and ignored as indicated by our previous speaker representing the JACL. Secondly, the misunderstandings have increased ethnic tensions, frustrations, and concerns, and have misguided our policies and programs. I will try to illustrate that in our mental health system and educational system. Third, there are means that we can use to alleviate some of these problems. That there are misunderstandings and stereotypes of Asian Americans is becoming increasingly evident. The Japan-bashing that we see has resulted in anger, hostility, and stereotypes toward Asian Americans in general, and Japanese Americans in particular, even though, I would say, most Asian Americans do not support the policies and practices of Japanese in Japan. As you know, Vincent Chin was a Chinese American who was mistakenly identified as a Japanese American and was beaten to death because of the hostility toward Japan on the part of a Detroit auto worker.

Finally, in the recent violence that we have discussed after the Rodney King verdict in Los Angeles, the popular media portrayed the events as largely a black-white affair. In reality, Korean Americans suffered half of all of the property damage that occurred in Los Angeles. Law

enforcement was particularly lax in protecting Korean businesses. It indicates that our racial and ethnic issues really involve all racial and ethnic groups, including Asian Americans. These events have raised increasing concerns among Asian Americans and have resulted in ethnic tensions.

Let me turn to concerns of Asian Americans in two of our institutions, the mental health system and the educational system. Now, it may seem strange to discuss the two because Asian Americans are popularly believed to be well-adjusted, to come from intact families, and to be high achieving. But if we look more closely, we see some institutional failures that raise issues of accessibility, responsiveness, and fairness. Research over the past two decades has shown that relatively few Asian Americans use mental health services. The low utilization, which we found nationwide, has unfortunately reinforced the view that Asian Americans do not need or want mental health services. Nothing could be further from the truth.

We know that Asian Americans encounter stresses caused by cultural conflicts, immigrant background, and encounters with prejudice and discrimination. In fact, studies have shown that one group, Southeast Asians, particularly Cambodians and Laotians, have the highest rate of mental disorders in the United States. They primarily suffer from depression and posttraumatic stress disorder. Another fact is that those Asian Americans who use services tend to have very serious mental health problems. They have higher disturbance levels than African Americans, American Indians, Latinos, and white clients. The most parsimonious explanation for this finding is that Asian Americans do not enter the mental health system until they are very seriously disturbed. This, in turn, means that those with milder problems are not benefiting from the mental health system. Obviously, the underutilization is influenced by shame and stigma that is felt by many Asian Americans. Indeed, all of us, I think, most groups have shame and stigma over having mental health problems, but it affects Asian Americans in particular because their culture is a face culture, where loss of face, particularly in having mental health problems, is of concern. We also know that different cultural groups may have alternative services to handle stressors. But the most important reason for the problems that we see is the inability of the mental health system to really provide for Asian Americans. I want to give one example.

Years ago the *Seattle Times* newspaper reported on a case in Illinois and just to quote this: "The Cook County Public Guardian, Patrick T. Murphy, filed a $5 million suit against the Illinois Director of Mental Health and its predecessors, charging that they kept a Chinese immigrant in custody for 27 years, mainly because the man could not speak English. The Federal court suit charged that the Illinois Department of Mental Health had never treated the patient for any mental disorder and had found a Chinese-speaking psychologist to talk to him only after 25 years. The suit said that David, who was in his fifties, was put in Oak Forest Hospital, then known as Oak Forest Tuberculosis Hospital. He was transferred to a State mental hospital where doctors conceded that they could not give him a mental exam because he spoke little English, but they diagnosed him as psychotic anyway. The suit said that a doctor who spoke no Chinese said that David answered questions in an incoherent and unintelligible manner. It was charged that David was quiet and caused little trouble, but was placed in restraints sometimes because he would wander to a nearby ward that housed the only other Chinese-speaking patient."

This is a dramatic but not unusual case. If we go to many cities, we'll see that services for Asian Americans are virtually nonexistent or inadequate. Some may ask, "If Asian Americans do not use services, why should we worry about this?" Or, "If Asian Americans find services unhelpful, perhaps they shouldn't use them." But this misses the point, which is that Asian Americans pay taxes and fees for services, and our mental health system should provide an opportunity for all Americans to truly benefit from services. To me, this is a civil rights issue. I think what we need here is greater attention to the needs of Asian Americans, including bilingual bicultural personnel in our mental health profession, greater training. Our research has shown that if we engage in these programs, there may be some very important benefits to clients.

The second concern I would like to address is our educational system. Again, it may seem ironic to focus on the educational system, since Asian Americans have high educational attainments, particularly if we look at the proportion of college graduates. We have to temper this with the fact that Asian Americans have a high rate of those who have no education whatsoever. In fact, this rate is higher than whites, and some Asian groups are not faring well compared to other Asian groups. But the concern I want to express, that many Asian Americans have expressed, is that there are increasing attempts to limit Asian American enrollments through the use of certain criteria that place Asian Americans at a disadvantage in admissions to universities and colleges.

Asian Americans have brought this issue to the Education Secretary, and it has been presented in popular magazines such as *Newsweek* and *Time*. I want to report on some of our thinking on this and some of our work. Admissions to universities largely depend on high school grade point averages, SAT test scores and other achievement test scores, letters of recommendations, and extracurricular activities. Among the most important criteria are high school GPAs and SATs. In a study sponsored by the College Board, I and a colleague examined to what extent high school grade point averages and SAT scores of Asian and white students predict subsequent academic performance at universities. The results were quite surprising. If we look at the SAT scores, which can be divided into the math or English verbal subtest, there are some marked ethnic differences. Knowing the verbal score, rather than the math score, meaningfully predicted university grades for whites. However, for Asian Americans the opposite was true. Math, rather than verbal scores, predicted university grades. The superiority of math as a predictor for Asians was evident for American-born as well as foreign-born Asians, and for those majoring in nonscience as well as science fields. In other words, verbal performance adds very little to the selection of good students among Asians. Now, we don't know why, but it is a very interesting finding.

The College Board is planning to improve English verbal testing, including essays and realism, more realistic test items in its procedures, and this is commendable. However, if colleges and universities place a heavier emphasis on verbal skills as the criterion for admissions, we will have fewer Asian Americans admitted, and the students admitted will perform less well than those admitted before the great emphasis on verbal skills. In other words, colleges and universities that weigh English verbal skills more heavily in admissions will have a detrimental impact on Asian Americans who may be superior students but who fail to achieve English performances that are associated with native speakers. The issue is not to be confused with the necessity to learn English. Everyone agrees that English skills are necessary to function in society. The issue is whether the use of a bad predictor, that places Asian Americans at a disadvantage, is going to be used. Here, I think, is the civil rights issue.

In closing, we would, of course, like to do far more research on predictors of academic achievement and mental health, and to see the effects of these predictors over a long term. But what we really need, and I have given just two examples—the mental health example and the education problems—is more accurate information on who are Asian Americans and what are the real critical issues facing the Asian American community. I would like to pose these questions in closing: Why can't we seize leadership in a multiethnic society? We know that our ethnic relations and ethnic problems are probably not worse than those that we see in Eastern Europe, where ethnic groups are fighting and killing each other very directly. But we also have a model just north of us, and that is Canada, where there is an official policy of multiculturalism. Why can't we, as Mr. Nuñez said, build on the strengths of multiculturalism?

In closing, I would like to turn to a quote from Hodgkinson, who said that, "In the future, we should work together, not because of liberalism, obligation, guilt and the other kind of baggage that we have, but, rather it is in our own interest to be able to work with different groups." I hope that in this effort, that Asian Americans and some of their concerns can be fully considered. Thank you.

VICE CHAIRPERSON WANG. Thank you. That concludes the formal presentation by the panel. I would like to open the floor for exchanges and

dialogues. Why don't we start with Commissioner Berry.

COMMISSIONER BERRY. I have two questions. First of all, I wanted to ask Ms. Narasaki—Karen, you were talking about the meeting at the White House after the Los Angeles riot or rebellion or whatever or Rodney King verdict and about how there were not any Asian Americans invited. What I wanted to know was—I understood from some other testimony we had that Latinos were not invited either, and that somebody invited himself—I don't know who it was—and ended up being part of the group. I also know that on another day during that same series of meetings, the leadership from the House and the Senate went over there, and there was nobody from Watts or south central Los Angeles at all. Maxine Waters went over and insisted that she be included. What I wanted to know, only partly tongue-in-cheek, is, was it because Asian Americans are a model minority that no one went over and insisted that you be included?

MS. NARASAKI. Actually, I talked to one of the White House staff persons, and the explanation I was given was, they thought about it, but that they thought it would further inflame racial tensions to include Asian Americans at that meeting because it was really a black-white problem. That is one of the concerns I have—that we see the media playing it up as a black-white problem—you are absolutely correct. It is not a black-white problem. It is not a black-white-Asian problem. It is a black-white-brown-yellow everything problem. It is the problem that we have with the economic system and what is happening in all of our cities.

COMMISSIONER BERRY. What I was wondering is, why didn't somebody from the Asian American community go over and insist on being included just as the Latinos did and just as Maxine did?

MS. NARASAKI. We did. We sent letters that were ignored. We had a press conference that was ignored. We sent press releases that were ignored. It was not for lack of trying.

COMMISSIONER BERRY. Okay. The other thing is I think earlier today we passed a resolution on one of the subjects that you mentioned in your testimony about the reparations for the World War II internees. I think that was on your list of things so you should know that we did pass a resolution today concerning that point.

The other question I wanted to ask was to Louis Nuñez. Mr. Nuñez, when you were talking you said something about people in low income communities or people in these cities around the country. We would find when we go there, those that are on the low end economically say things like, "Immigrants come in, and they just simply walk right over us. They move ahead, and we're left behind." I've forgotten the phraseology, but that was the idea. Well, are they wrong? I mean is that, in fact, what has happened or not?

MR. NUÑEZ. I think that there is some reality to that perception, and I recall, Commissioner Berry, in a hearing we had in Miami in the early 1980s that was a constant comment of some of the African Americans, that Cubans had come, who were basically a refugee population, with an enormous amount of educational or entrepreneurial skills, and had moved into Miami and had basically prospered. There was a lot of resentment in that community. I think that is a very specific example of that. But I think that is a reality that people in these depressed areas, these central city areas, that exist in every large city in America.

You do have a community that has essentially been left behind. Suddenly, you have a whole new group of newcomers who are either from Latin America or from Asia, who are coming who are perhaps more—and it's a sad commentary on society—but they have more faith in the American dream than people who have been here two or three generations, whose whole experience in our society has been one of failure.

I want to make another distinction. We are really talking about another phenomenon in our society, the fact that the traditional minorities—blacks, Mexican Americans, Puerto Ricans—are essentially dividing up between people who are making it into the economic mainstream of our society and people who have been left behind. I think a lot of the social commentators are beginning to note that people who are being left behind in all of these neighborhoods, who have not moved on, are the people who confront or have to deal with the newcomers to our society, and unfortunately, that experience has not been a positive one for both groups.

COMMISSIONER BERRY. My only point is that, if the perception on the part of the people that you say have been left behind is that they have been left behind and that others come in, spend time, and move on, then that perception is accurate, if I understand you correctly. Their perception of what is happening to them is accurate.

MR. NUÑEZ. Yes. I think in general that is true as far as it goes, actually, that immigrant populations come in, sort of put their time in at the bottom, and then move up.

COMMISSIONER BERRY. Right, so that it is not that they somehow lack perception. The question is what does one do? Their perception is accurate.

MR. NUÑEZ. There is truth to that. There is truth to that. They are stuck. We are looking at the issue of the persistence of poverty that people of several generations do not move on from one generation to another. I am not making it racial. I am stating it as a reality for a significant portion of the black community, the Puerto Rican community, the Mexican American community—we are looking at this in generations—and there is no evidence that they are moving up. I am not stating that as true for everyone, but for the people who are left behind in these older, decaying communities, they see a reality of these neighborhoods being a way station for a lot of people on their way up, and they see no way up for themselves.

COMMISSIONER BERRY. Right. Then if that is the case, then I guess the issue is not to challenge their perception, since it seems to accord with the reality that they see around them—although it is not exactly true because there are always a few people who move up anyway, even from people who are considered to be thrown away—so then the question becomes, "How do you alleviate tensions between people who are, indeed, being left behind and people who are, indeed, there as a way station?" That is one way to frame the question if that is where the tensions are.

Then, I guess one argument would be to explain to those who are left behind that they are really not left behind. But they see that they are, so that doesn't work very well. Then the question becomes how do we, in our interest of alleviating tensions, then focus on what to do about those who are left behind in order to make them see that there can be a brighter day for them. Or do we do something else, which has been suggested by some people, which is to simply see to it that immigrants do not come to communities like that to use them as a way station, and perhaps are in other communities where there are not people who feel that they have been left behind. I guess my only point was that when you said that it was their perception, that probably what they are perceiving is correct.

MR. NUÑEZ. I would agree with you, Commissioner.

DR. SUE. Commissioner, can I respond to that? Our studies support that. It is not only a perception; there is a difference. Look at the self-identity of those ethnics who are born in the United States when you are talking about identity problems. They don't occur with those who come from overseas. They occur from those who are American born because they have a mentality as a minority group person. The overseas person, many times, does not develop that mentality. They come here in order to escape from their own very bad conditions. Things can only go up for them. I think that there is a perception and a problem between immigrants and those who are American born.

We find the kinds of solutions that may be very beneficial is to bring those who are overseas into the fold, for them to really realize that when they come here not only for economic opportunities, but as citizens, that there are issues that they have in common with those who have been here many years, including issues concerning ethnicity, ethnic tensions. They can't be insulated from those kinds of things through their own achievement. I think that we have seen many overseas-born ethnics who when they come back into that fold start helping the ethnic communities. That is a very viable kind of solution. If they maintain a very distant, separate relationship, almost looking at the American born as being inferior, then we have some major problems.

COMMISSIONER BERRY. We have, of course, not just a black-Asian-Latino or something interethnic tension, but tension within groups, themselves. For example, in the Mexican community there seem to be tensions between those who are newcomers, whether they are undocumented workers or not, and people who have been here

for a long time. Some of them even argue that there isn't any discrimination problem in the Latino community. It is just simply a question of, if you have been here, you are assimilated, and these other folks need to get on with the business of assimilating themselves. You find this within ethnic groups as well as going across groups.

The other point is, and I don't know who mentioned this, but somebody when they were talking about what had happened to the Korean businesses in Los Angeles, mentioned the problems between blacks and Koreans in Los Angeles. Am I to infer from that that the businesses that were destroyed that belonged to Koreans were destroyed by blacks? Was that the inference I was to draw?

DR. SUE. We really don't know. The inference is that there are black-Korean tensions that resulted in this, and I can't help but believe that some of it, of course, was due to that tension. But the situation in Los Angeles is due to many, many different factors, not just Korean-black tensions, black-white tensions. There were tensions over humiliations that occurred for a long time, that people were just seething. In fact, the majority of arrests, I think, were against Latinos who were rioting. It was just everything kind of came to a head. It is hard just to say that it is a particular ethnic group against another ethnic group. I think it is far more complex than that. But there is no question that the Korean-black situation is not good, and we need to intervene right away to head that off. There is no question, also, that because of the history of racism in this country, it often pits one group against another. I think another speaker addressed that issue.

COMMISSIONER BERRY. But we don't know that the Korean businesses were, in fact, destroyed entirely by blacks?

DR. SUE. No, we don't, and I would assume not.

COMMISSIONER BERRY. We also don't know that the Latinos who were arrested—the 51 percent of the arrests—that they were all arrested for rioting either. Some of them were arrested for curfew violations and various other things.

MR. NUÑEZ. Commissioner Berry, when we make these distinctions—whether we want to call it a riot or disturbance—really calls out for some careful analysis. I have heard it said that, for example, the traditional Mexican American neighborhoods like east Los Angeles did not have these disturbances like the south central portion of Los Angeles where the new Latino immigrants live. What was the difference there? The role of the police, the role of black gangs, Latino gangs, which is a very major factor in the Los Angeles area. I think the whole reporting on the disturbances was, frankly, so simplistic, seeing it as merely an uprising of blacks and maybe picking on Korean merchants.

That is the overall impression. The enormous complexity of the issues, the relationships of the police, which seem to be atrocious in Los Angeles with all of the different groups, the growth of these gangs in this area. I saw a vignette on television where there was a black gang leader talking about the police who said, "That gang did us wrong, and we are going to get them." They see the police as another gang. They don't see them as the authority figure in this society. I don't see evidence that anybody is exploring the many factors that have led to the disturbances, that in depth, in looking at that led, to the disturbances in Los Angeles. It comes across as sort of a throwback to the 1960s. It's amazing how many people talk about Watts, and in my mind, Watts was a completely different situation than what occurred in Los Angeles last month.

COMMISSIONER BERRY. I have just two more questions, the first to Dr. Sue, some questions about your comments on the admissions, the university admissions issue and the use of SAT verbals and their lack of predictability for Asian American students. Isn't it the case that SATs are not valid predictors of performance in higher education institutions in any case? Where did we get the idea that they were valid predictors? I used to be on the Advisory Committee of the Education Testing Service, and I remember the guy who runs that place, and our committee, saying that SAT scores should not be used by admissions officers to determine admissions because they did not have predictive value, that what we should do is use letters and high school grades. I am aware that people don't do what we said, but I am just wondering before we get to the issue of whether verbals predict accurately or more accurately than math, where did we get the idea that SATs ought to be used to determine who gets into higher education anyway?

DR. SUE. A very interesting point, but most universities do use SATs.

COMMISSIONER BERRY. Yes, I know they do.

DR. SUE. What we did was we studied the UC system. The best predictor of subsequent performance is high school grades. If you do well in high school, you'll do well in college. The SAT does add to that prediction, but it is interesting that it adds in different ways for different groups. I think the concern of Asian Americans is that if we use a uniform formula—especially one that emphasizes the verbal component of SATs, that it is going to have a detrimental impact on Asian Americans. But you are right that SATs are not as strong a predictor as high school grades, but they do add something to it, and that is the current practice. Most universities will use high school grades and SATs.

COMMISSIONER BERRY. I realize it is the practice, but it seems to me, that if it's a civil rights issue if they use verbals instead of mathematics, wouldn't it also be a civil rights issue that they would even be using SATs to determine who gets admitted somewhere when it has already been demonstrated that high school grades and recommendations are much better predictors for figuring out how you are going to do once you get in? I am just wondering why you didn't first attack the idea of using them at all, and then saying, "If you insist on using them, then you certainly should not use verbals instead of mathematics."

DR. SUE. That's correct. I am attacking it primarily because it is a practice, and I am worried about that practice. But that's right, there are other kinds of very major issues about whether the SATs should be used as a predictor at all or whether college grades are the ultimate criterion that you want to predict. I mean there are things beyond getting grades in universities, success in careers, etc., that we know may have very little relationship with even college grades.

COMMISSIONER BERRY. Yes. We know also, by the way, and you are probably familiar with this, that LSATs and GREs are not the most valid predictors for determining how well one does in graduate school or law school. I mention these because they are sources of tension which is what we are discussing, and yet there is a lot of misunderstanding about these things. A big Ford Foundation study, longitudinal study, indicated that for Hispanic and African American students especially, you could not predict how well they would do in graduate school based on what their GREs were, and that a point of fact, if you took students who had good undergraduate grades and strong letters of recommendation, they would successfully complete Ph.Ds. That study has had absolutely no impact on what the colleges and universities do, but the data is out there.

Your point is, then, that it is too difficult, probably, to try to keep them from using these scores, so that if they do, we should, at least, get them to use that. Don't you think that the use of test scores of this kind—standardized tests—infers that if they were not used as barriers, perhaps something else would be, and that the fundamental question is trying to sort out who gets opportunity? That is a source of tension and not just that this particular device happens to be used. Don't you think it is possible to imagine other devices?

DR. SUE. That is correct, and people have said if you don't use test scores, then you'll rely on the bias of teachers in recommending individuals. I think it is a very dynamic situation where we need constant research, to drop the myths that we have about the magic of testing or the magic of personal opinion. But you are correct; we really need to examine all of these predictors.

COMMISSIONER Berry. My last question was to Dr. Morris, vice president of the joint center. In talking about what we need to do economically, we have had two or three panels where people have discussed economic issues as they relate to tensions. We have had one scenario which indicates that not much is wrong with the economy anyway, if I may characterize it that way. Another scenario is that there is a lot wrong in the economy that needs to be fixed.

The not-wrong school cites such things as the manufacturing base in the country is strong. We may have some problems with who is unemployed and who isn't, that even if you look and talk about a recession now, it is nothing like even the 1982 recession, that on all the kinds of measures that we look at, those people who worry and say we need to do something in economic policy are wrong to worry because things are going along fine. All we need to do is some more of what we are doing right now, and

eventually, those people we are concerned about will be helped, and all we need to do is explain it to them. Do you have any views about economic policy as it might relate to solving this problem of racial tensions?

MR. MORRIS. I happen to believe that economic problems are the single most important issue driving racial tension, and that is where the solution has to begin. I don't share the view that nothing is wrong with the economy. I think we have to be attentive to two kinds of things. One is change. It is true that the industrial sector has strengthened substantially and is a vital sector now, but that industrial sector has relocated. Two, the content of that industrial sector has changed. When I say the content has changed, I mean that some of the heavy industry that for a long time employed large segments of what we characterize as the blue-collar, working-class population really disappeared and disappeared for good. In other cases, efficiencies in production have drastically reduced the manpower demand. Therefore, there are large numbers of people who, at an earlier phase in our economic experience, would have been gainfully employed and are now without those opportunities. The economy has not made viable alternatives available for that segment of the working population, so that is a significant kind of change. In addition to that, and maybe somewhat related to that, the statistics we've seen over the disparities in income are driven by several factors.

One of them has to do with change in the character of available jobs. In many of the central cities, not only are there fewer jobs, but there are jobs that pay significantly less than the jobs they now replace. What has, therefore, happened is, instead of a steady increment of gain in a factory environment, many of these people are in marginal or service environments in which the wage structure is low, in which the wage structure moves very slowly or not at all. Therefore, you do have a widening income gap, so those are significant problems. What is noteworthy is that, by and large, we have focused on the issue of making us, as an economy, competitive. We have not focused on how we adjust internally to the changes we've had to make. That, I think, is something that I think we need to consider.

VICE CHAIRPERSON WANG. If I can ask Mr. Glasser, when you talk about the lack of sufficient commitment, about the leadership, it reminds me about political systems. We have a way of remedying that every so often through elections or whatever. When we talk about our corporate leadership, there's very little, it seems to me, that we could really do. That particular sector, I find in many ways, even much more crucial in shaping the whole direction, and many times they are not in the realm of reach.

They don't participate in the debate, and we seem to be at a loss, particularly with our corporate leadership. Would you care to comment on that, and how we can break that particular, shall we say, barrier, so as to really bring them into the fold of discussion? I think they employ much more large numbers of people. Their impact is far more than just the public sector.

MR. GLASSER. Well, my experience is that in the last decade or so and certainly in the last few years, with the sorts of problems that I described and that the ACLU as an organization tries to work on, we have found much more responsiveness in leadership in the corporate sector, at least certain segments of it, than in the political sector. Part of the problem that you have here in terms of leadership is that nobody votes anymore, particularly in those segments of the community that are the chief and disproportionate victims of the sorts of phenomenon I was describing. There are lots of reasons why that is true. Some of it has to do with very obstructive voter registration requirements.

There is a bill that you probably know about and want to get behind in Congress right now to make voter registration much easier, the so-called "Motor-Voter." It is threatened with a veto. That is one problem, but a deeper problem is that I believe that a lot of people don't vote because they have long ago given up any notion that change in the conditions of their lives can come through politics or through the ballot box. That is a problem of leadership. When I say that I find more responsiveness in the corporations, let me give you a concrete example.

I mentioned that grave disparity in what we like to call educational inequity. I used the Alabama schools as an example, but similar stuff exists in Louisiana and all over the country, but more dramatically in the Southeast. It is very

difficult to get government or Congress or Federal law to do anything about that. We have had to utilize State constitutional provisions and go State by State on the basis of State law trying in State courts to get the State to live up to its own standards. The most responsive segments of the community to those lawsuits, which fund the lawsuits, support the lawsuits, do studies for it, are corporate leadership. The reason, when you ask them why—since it is sometimes surprising to find them in the same room and on the same side of the table as the ACLU, some people would think these are not people whose politics would lead you to find them in the front ranks of the civil rights movement—it is beyond civil rights for them. They are doing business in a region of the country where large proportions of the population are disabled from being consumers, are disabled from being employees, are disabled from being part of the commercial market structure.

They are beginning to see, much of corporate leadership, what I referred to earlier as the self-interest in equality. That kind of leadership, we need to have more of it, but to suggest that that kind of leadership is sufficient, that government can continue with what I call the ideology of malign neglect—you know, first we had benign neglect, now we have malevolent neglect, the notion that somehow government can't be a positive force, that it is a negative force if it tries to be a positive force. There is not going to be any way to even activate that private leadership if we rely on it itself. I must say, I find it much easier to talk about these problems with corporate leaders than with political leaders these days.

VICE CHAIRPERSON WANG. The previous panel talked about banking, the Community Reinvestment Act. We find that the private sector is just not there.

MR. GLASSER. Oh, yes. That's why I say it is not sufficient. It will vary from problem to problem, from corporation to corporation. You cannot rely on that sort of randomness. When I say that I find more responsiveness in the corporate community than I do in the political community, that is a measure of what I regard as an abject failure of political leadership. There isn't that much leadership in the corporate community, but there is more of it—you find more responsiveness. You can't go to the political leaders in these States and talk about these deep educational inequities, but you can go to some of the corporate leaders, who are beginning to see some economic stake in their own marketplaces. If they don't see that, then they are not going to be very interested either.

Consider that the one major thrust in that area of educational equity that has been put forth in Congress and by the administration is the issue of free choice and setting up competition through an educational voucher plan. It sounds wonderful, but it is the product of ideology, I think, and not analysis—an ideology that is committed, regardless, to the notion that if you have a marketplace, then things will work out. Well, it hasn't worked out in any other area of life, and I'm not sure why it would work out here, but what that bill would do, it would not say to people, "Look, you don't like that school that spends $165 a year on your kid, and it has no bathrooms and no libraries and broken windows. He doesn't have to go there. We will give you money directly. Go find the best private school you can. Send us the bill."

Now, you know that is not what the legislation says. That would be one thing. I would be prepared to try that as a pilot project. Nobody is writing that blank check. What they are going to do is they are going to put in a bill which gives some fixed amount, $1,000, $800, maybe $2,000. I don't know how many of you send your kids to private school, but you know enough to know that a good private school is not going to cost $800 or $1,000 or $2,000 a year. Most good private schools are going to cost $5,000 or $6,000 or more, particularly in cities. Well, if you can't come up with the other $4,000, the $1,000 or $2,000 doesn't do you any good. Who gets the $1,000 or $2,000? The people who can come up with the other $4,000. What happens then? You skim off another thin top layer of the people who are in the public schools. They go off, and those who are left behind are mired more deeply and more hopelessly in schools that deteriorate even faster, that good teachers flee. Then the schools, themselves, are further impoverished for the lack of a budget, written in the lack of political leadership. These can't be a remedy to that educational inequity, but that is all we are hearing about, and I don't think it is real.

COMMISSIONER BERRY. We had a discussion about vouchers earlier today. My understanding is that in the program in Milwaukee which was discussed, the State puts in $2,500, and local people put in more money so they can come up with that $5,000. Right now, it is a pilot program, but it is supposed to expand. The argument that the panel has made is that the schools are so bad—if I can repeat it properly—and the bureaucracy is so entrenched, that it will take time to change this, and we need to do something. We have to have a transition, so there may be transitional problems over time of the sort you talked about, but the ultimate result will be to transform the schools.

Everyone acknowledges that we have major problems with the schools now, so this is sort of holding out hope. My colleague, Commissioner Redenbaugh, who supports this idea, says to me also that of course what will happen is that the schools that are in existence will be positively affected by the fact that there are vouchers for people to go to other schools. It will make them improve so that they will be competitive, and so therefore, it will rebound to the benefit of everyone over time.

The panelist today, Professor Peterson from Harvard, his point, too, was that it is like the Soviet Union where you make a transition to a free economy. It takes time. I just wonder if you think that given the enormity of the problem, you could argue that it is worth the risk that the other schools will improve and that you will help some people in the short run, and that that is why people are supporting these programs?

MR. GLASSER. I think it's a matter that the advocates are basically dealing from a position of ideological faith. Assuming the best of interests, I think that is all it is. It is hard for me to see how there will ever be enough money pumped into this system to benefit the people who are ostensibly its beneficiaries. It is hard for me to see why a society that has never given enough of a damn to remedy the situation as it exists now, and the tax structure of the schools of Alabama, is going to be the same society through its tax dollars that is putting in that sort of money. It is hard for me to see that a society, which has the attitude that our society has toward food stamps and Aid for Dependent Children, and all the other social welfare programs for minorities, particularly, is going to have a different attitude toward the rising costs of vouchers. It is hard for me to see how the rebellion over medicaid issues is not going to be the same.

I don't see where the money and the commitment is going to come from. Moreover, nobody is yet suggesting that, as a consequence of accepting public money, these private schools are going to be subject to public legal standards that relate to who they get to accept. You know, public schools are worse than private schools for a real simple reason—they don't get to choose their students. If you choose your students right, you are bound to have success. That's a little bit of a cynical view. The fact of the matter is that we have a foster care system in New York City, which functions exactly like that, through a system of public vouchers. But the private institutions were allowed, even though 80 to 100 percent of their budgets came through public money through this kind of a system, to retain the fiction that they were private foster care agencies, and were allowed to pick and choose who they accepted and who they didn't.

Guess what? That system was under litigation for 20 years because of gross discrimination on the basis of both religion and race. Nobody is yet talking about the fiction that when you give the money to parents, and the parents give the money to the schools, the money isn't public anymore. There are church-State problems, as you know, that relate to that. But, if you don't impose on the private schools the obligation to take the students who need their help the most, they won't take those students. I find it hard to see how we will end up with a system that does not fail to injure the very people that it has claimed will benefit from it. I don't think there is a shred of evidence to support that, and it worries me to go down that route.

VICE CHAIRPERSON WANG. I know it is getting late, but I do want to ask one more question of Ms. Narasaki. I think we did touch a little bit on the Japan bashing. I just would like for you to comment on the recent discussion about auto sales, Japan to our country, and our selling parts to Japan from Detroit. How much do you see, as we discuss that particular trade issue, impact on the overall anti-Asian and Japan bashing?

MS. NARASAKI. Well, I think that the trade friction clearly does contribute to it. JACL keeps

a running list of incidents where we have small descriptions of things that we find out about either through our chapters or through the media. If you look at the comments that are being made by the people who are doing the attacks, clearly it is because of their perception that the Japanese are somehow at fault for all of the economic ills of the United States. I think that is unfortunate for several reasons, one of which is that I think it causes the United States not to address some really real problems beyond what their trade imbalance is with Japan.

It also, I think, is a result of the fact that we Asian Americans have never been seen as Americans because of our faces, because of the accents. We are always seen as foreign. If you look at advertisements and what is considered the American face, you see generally a Caucasian. You maybe see a black. You rarely see a Latino, and you never see an Asian face. It's the Kristi Yamaguchi issue. What is American? When you look in the mirror and you think "American," what do you expect to see? The Japan bashing is built on and fosters and perpetuates that stereotype that Asian Americans are foreign, that we are not really American, that our interests are not bound up with America. JACL does not defend the policies of Japan. There are real issues there. We are saying that Asian Americans should not be scapegoats for that, and that the United States needs to look very hard at the policies that are problems economically for America in addition to the trade imbalance.

For example, you look at the salaries of the heads of the three auto companies and what do you see? They are making multimillion dollar salaries, getting raises in salaries, when their companies for the last several years have been declining. How can that be in a system that supposedly is based on performance and achievement and capitalism and the market sorting out achievement?

There is something wrong with that, as was earlier pointed out, when you have the top strata of society actually increasing their income at the expense of the bottom part of society. Those things all need to be looked at and, unfortunately, it is much easier to point your finger at someone who, because of media and history and other reasons, is somehow seen as less than human and take out your frustrations on that. Politicians point to them rather than to admitting that there is some problem that really needs to be addressed.

VICE CHAIRPERSON WANG. On that note, we would like to express, on behalf of the Commission, our deep thanks to every one of you for spending time with us and really sharing with us your views on this very important topic on this Friday afternoon before the holiday. We appreciate and want to thank every one of you for your generosity. We know it has not been easy, but you know the importance of the topic. I think you have made a profound contribution. Thank you again very much.

On behalf of our Chair who is up at the Hill together with our colleague to plead our case there, I want to just thank everyone here who has made these 2 days possible, particularly the staff who has worked so hard and all of the people who have testified, altogether over 50 people from across the country. I think the testimony has enlightened us and helped us to understand the problems at hand, which will assist us as a group to move forward in tackling this major problem of race relations confronting our nation.

This is the beginning of what we would hope is a series of further investigations. We already made plans to travel around the country, to have hearings and invite others to testify. We will keep our record open for 30 days, so if you have other views you would like to submit, other documents and information, we welcome that. We certainly hope that down the road as we move around the country, you keep us informed and continue to contact us. I think that would be very helpful.

Again, on that note, I thank the Staff Director and everyone else who made this possible, our General Counsel, Commissioner Anderson, and Commissioner Berry, who stayed until the end of the hearing. Thank you very, very much and do have a wonderful holiday.

[The hearing was adjourned.]

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